# U.S. SECURITIES AND EXCHANGE COMMISSION WASHINGTON, DC 20549

## FORM 10-SB/A

GENERAL FORM FOR REGISTRATION OF SECURITIES OF SMALL BUSINESS ISSUERS UNDER SECTION 12(b) OR 12(g) OF THE SECURITIES ACT OF 1934

## CryoPort, Inc.

(Name of Small Business Issuer in Its Charter)

Nevada	88-0313393
(State or Other Jurisdiction of	(I.R.S. Employer
Incorporation or Organization)	Identification No.)
451 Atlas Street, Brea, California	92821
(Address of Principal Executive Offices)	(Zip Code)
(Addiess of Finespal Exceditive Offices)	(Zip code)
(714) 256-6100	
(Issuer's Telephone Number)	<del></del>
Securities to be registered under Section 12(b) of the Act: None	
Securities to be registered under Section 12(g) of the Act: Common Stock, \$.001 par value	

# TABLE OF CONTENTS

		Page
PART I		3
ITEM 1.	DESCRIPTION OF BUSINESS.	4
ITEM 2.	MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION	28
ITEM 3.	DESCRIPTION OF PROPERTY	37
ITEM 4.	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	37
ITEM 5:	DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS	38
ITEM 6.	EXECUTIVE COMPENSATION	41
ITEM 7:	CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	44
ITEM 8.	DESCRIPTION OF SECURITIES	45
PART II	DESCRIPTION OF DECORPTES	46
FARI II		40
ITEM 1.	MARKET PRICE OF, AND DIVIDENDS ON, THE REGISTRANT'S COMMON EQUITY, AND OTHER MATTERS.	46
ITEM 2.	LEGAL PROCEEDINGS	47
ITEM 3.	CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS	47
ITEM 4.	RECENT SALES OF UNREGISTERED SECURITIES	47
ITEM 5.	INDEMNIFICATION OF DIRECTORS AND OFFICERS	49
PART F/S		51
ITEM 1.	FINANCIAL STATEMENTS FOR MARCH 31, 2005	51
ITEM 2.	FINANCIAL STATEMENTS FOR JUNE 30, 2005	74
PART III		90
ITEM 1.	INDEX TO EXHIBITS	90
ITEM 2.	DESCRIPTION OF EXHIBITS	92

## PART I

In this registration statement the terms "CryoPort", "Company" and similar terms refer to CryoPort, Inc., and its wholly owned subsidiary CryoPort Systems, Inc.

## SAFE HARBOR FOR FORWARD LOOKING STATEMENTS:

THE COMPANY HAS MADE SOME STATEMENTS IN THIS REGISTRATION STATEMENT, INCLUDING SOME UNDER "BUSINESS", "RISK FACTORS" AND "MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS," AND ELSEWHERE, WHICH ARE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS MAY DISCUSS THE COMPANY'S FUTURE EXPECTATIONS, CONTAIN PROJECTIONS OF ITS PLAN OF OPERATION OR FINANCIAL CONDITION OR STATE OTHER FORWARD-LOOKING INFORMATION. IN THIS REGISTRATION STATEMENT, FORWARD-LOOKING STATEMENTS ARE GENERALLY IDENTIFIED BY WORDS SUCH AS "ANTICIPATE", "PLAN", "BELIEVE", "EXPECT", "ESTIMATE", AND THE LIKE. FORWARD-LOOKING STATEMENTS INVOLVE FUTURE RISKS AND UNCERTAINTIES, AND THERE ARE FACTORS THAT COULD CAUSE ACTUAL RESULTS OR PLANS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THE STATEMENTS. THE FORWARD LOOKING INFORMATION IS BASED ON VARIOUS FACTORS AND IS DERVIED USING NUMEROUS ASSUMPTIONS. A READER, WHETHER INVESTING IN THE COMPANY'S SECURITIES OR NOT, SHOULD NOT PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH APPLY ONLY AS OF THE DATE OF THIS REGISTRATION STATEMENT. IMPORTANT FACTORS THAT MAY CAUSE ACTUAL RESULTS TO DIFFER FROM PROJECTIONS INCLUDE. BUT ARE NOT LIMITED TO. THE FOLLOWING:

- THE SUCCESS OR FAILURE OF MANAGEMENT'S EFFORTS TO IMPLEMENT THE COMPANY'S PLAN OF OPERATIONS:
- · THE COMPANY'S ABILITY TO FUND ITS OPERATING EXPENSES;
- THE COMPANY'S ABILITY TO COMPETE WITH OTHER COMPANIES THAT HAVE A SIMILAR PLAN OF OPERATION:
- THE EFFECT OF CHANGING ECONOMIC CONDITIONS IMPACTING THE COMPANY'S PLAN OF OPERATION; AND
- THE COMPANY'S ABILITY TO MEET THE OTHER RISKS AS MAY BE DESCRIBED IN ITS FUTURE FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION.

THE COMPANY UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

## ITEM 1. DESCRIPTION OF BUSINESS.

#### Overview:

The principal focus of the Company is to develop a line of disposable (or one-way) dry cryogenic shippers for the transport of biological materials. A dry cryogenic shipper is a device that uses liquid nitrogen which is contained inside a vacuum insulated bottle as a refrigerant to provide storage temperatures below minus 160° centigrade. The dry shipper is designed such that there can be no pressure build up as the liquid nitrogen evaporates, or spillage of liquid nitrogen. A foam retention system is employed to ensure that liquid nitrogen stays inside the vacuum container. Biological specimens are stored in a "well" inside the container and refrigeration is provided by cold nitrogen gas evolving from the liquid nitrogen entrapped within the foam retention system. Biological specimens transported using the cryogenic shipper can include live cell pharmaceutical products; e.g., cancer vaccines, diagnostic materials, reproductive tissues, infectious substances and other items that require continuous exposure to cryogenic temperature (less than -150°C).

The Company currently manufactures a line of reusable cryogenic dry shippers. These primarily serve as vehicles for the development of the cryogenic technology that supports the disposable product development but also are essential components of the infrastructure that supports testing and research activities of the pharmaceutical and biotechnology industries. The Company's mission is to provide cost effective packaging systems for biological materials requiring, or benefiting from, a cryogenic temperature environment over an extended time period by introducing to market a cost effective disposable/one-time use cryogenic shipper. The conventional concept of cryogenic shipping employs the use of a high cost shipping container, used multiple times over multiple years. The Company plans to introduce the disposable/one-time product manufactured from alternative, lower cost materials, which eliminates the need to replenish the refrigerant during the shipping process resulting in lower overall operating costs. The Company's intended future product is designed for one-time use with or without a disposable capability. Both methodologies eliminate the need to replenish the refrigerant during transport.

The Company's production line incorporates innovative technologies developed for aerospace and other industries to develop products that are more cost effective, easier to use and more functional than the traditional dry ice devices and methods currently used for the shipment of temperature-sensitive materials.

The Company currently occupies approximately 8,000 square feet of manufacturing and office space in Brea, California and has five full-time employees and two full-time and eight part-time consultants.

As reported in the Report of Independent Registered Public Accountant on the Company's March 31, 2005 and 2004 financial statements, the Company has incurred recurring losses from operations and has a stockholders' deficit. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. See page 26, "Management's Discussion and Analysis or Plan of Operation" for further discussion.

## History:

The Company was originally incorporated under the name G.T.5-Limited on May 25, 1990 as a Nevada corporation. The Company's original focus was to engage in the business of designing and building exotic body styles for automobiles compatible with the vehicle's existing chassis. The Company provided a series of hand molded body style products that were based on the chassis designs of the Ford Mustang, Pantera, Ford Cobra and Ferrari Daytona Spider. The Company's goal was to provide customers with a cost effective solution to developing a great look to their own vehicles without the high costs associated with buying very expensive new vehicles. Acceptance of the Company's concept never materialized, and revenues during the past few years declined. In 2004, the Company did not have any revenues. As a result, the foregoing operations were discontinued. In January 2005, the Company's board of directors determined that it would be in its best interests, and that of its shareholders, to find a suitable acquisition candidate.

In March 2005, the Company entered into a Share Exchange Agreement with CryoPort Systems, Inc., a California corporation, and its stockholders, pursuant to which the Company acquired all of the issued and outstanding shares of CryoPort Systems, Inc. in exchange for 24,108,105 shares of the Company's common stock (which represents approximately 81% of its total issued and outstanding shares of common stock following the close of the transaction). The exchange price was reached through discussions between CryoPort Systems, Inc.'s board of directors and stockholders, and GT-5 Limited's board of directors and major stockholders, taking into account supply and demand factors as well as the historical share prices to non-insiders of each company. The acquisition was a transaction involving the cashless exchange of shares only. In connection with this transaction, the Company changed its name to CryoPort, Inc., effective March 16, 2005. In addition, the Company's then directors and officers resigned, and the directors and officers of CryoPort Systems were elected to fill the vacancies created by such resignations.

Cryoport Systems, Inc., was originally formed in California in 1999 as a limited liability company and was reorganized into a California corporation in December 2000. CryoPort Systems, Inc. was founded in 1999 principally to capitalize on servicing the transportation needs of the growing global "biotechnology revolution".

## **Business Strategy:**

The Company's present objective is to leverage its proprietary technology and developmental expertise to design, develop, manufacture and sell cryogenic shipping devices. The key elements of its strategy include:

Expand the Company's product offerings to address growing markets. Given the need for a temperature-sensitive shipping device that can cost effectively be used, the Company is diligently working to develop a disposable or one-time use shipping device that performs as well as its reusable shippers to eliminate the need for a return shipment and the costs associated therewith as well as eliminate any loss of specimen viability during the shipping process.

**Expand the Company's marketing and distribution channels.** The Company's products serve the shipping needs of companies across a broad spectrum of industries on a growing international level. It is the Company's goal to establish those contacts necessary to achieve a broader distribution of its products.

Establish strategic partnerships. In order to expedite the Company's time to market and increase its market presence, the Company is currently negotiating to establish strategic alliances to facilitate the manufacture, promotion and distribution of its products, including establishing alliances with shipping container manufacturers (both cryogenic and dry ice), integrated express companies, and freight forwarding companies.

## **Industry Overview:**

The Company's products are sold into a rapidly growing niche of the packaging industry focused on the temperature sensitive packaging and shipping of biological materials. Expenditures for "value added" packaging for frozen transport have been increasing for the past several years and are expected to continue to increase even more in the future as more domestic and international biotechnology firms introduce pharmaceutical products that require continuous refrigeration at cryogenic temperatures. This will require a greater dependence on passively controlled temperature transport systems (i.e., systems having no external power source). [References: Cryopak Industries - Investment Package/Annual Report and US Department of Commerce - US Industrial Outlook.]

The Company believes that growth in the following markets has resulted in the need for increased efficiencies and greater flexibility in the temperature sensitive packaging market:

- · Pharmaceutical clinical trials, including transport of tissue culture samples;
- · Pharmaceutical commercial product distribution
- Transportation of diagnostic specimens;
- Transportation of infectious materials;
- · Intra laboratory diagnostic testing;
- Transport of temperature-sensitive specimens by courier;
- Analysis of biological samples;
- · Gene biotechnology and vaccine production;
- · Food engineering; and
- Animal and human reproduction.

Many of the biological products in these above markets require transport in a frozen state as well as the need for shipping containers which have the ability to maintain a frozen, cryogenic environment (e.g., -150°C) for a period ranging from two to ten days (depending on the distance and mode of shipment). These products include semen, embryo, tissue, tissue cultures, cultures of viruses and bacteria, enzymes, DNA, vaccines and certain pharmaceutical products. In some instances, transport of these products requires temperatures at, or approaching, -196°C.

One problem faced by many companies operating in these specialized markets is the limited number of cryogenic shipping systems serving their needs, particularly in the areas of pharmaceutical companies conducting clinical trials. The currently adopted protocol, and the most common method for packaging frozen transport in these industries, is the use of solid carbon dioxide (dry ice). Dry ice is used in shipping extensively to maintain a frozen state for a period of one to four days. Dry ice is used in the transport of many biological products, such as pharmaceuticals, laboratory specimens and certain infectious materials that do not require true cryogenic temperatures. The common approach to shipping these items via ground freight is to pack the product in a container, such as an expanded polystyrene (Styrofoam) box or a molded polyurethane box, with a variable quantity of dry ice. The box is taped or strapped shut and shipped to its destination with freight charges based on its initial shipping weight.

With respect to shipments via specialized courier services, there is no standardized method or device currently in use for the purpose of transporting temperature-sensitive frozen biological specimens. One common method for courier transport of biologicals is to place frozen specimens, refrigerated specimens, and ambient specimens into a compartmentalized container, similar in size to a 55 quart Coleman or Igloo cooler. The freezer compartment in the container is loaded with a quantity of dry ice at minus 78°C, while the refrigerated compartment at 8°C utilizes ice substitutes.

Two manufacturers of the polystyrene and polyurethane containers frequently used in the shipping and courier transport of dry ice frozen specimens are Insulated Shipping Containers, Inc. and SCA Thermosafe (formerly Polyfoam Packers Corporation). When these containers are used with dry ice, the average sublimation rate (e.g., the rate at which dry ice turns from a solid to a gaseous state) in a container with a one and one-half inch wall thickness is slightly less than three pounds per 24 hours. Other existing refrigerant systems employ the use of gel packs and ice substitutes for temperature maintenance. Gels and eutectic solutions (phase changing materials) with a wide range of phasing temperatures have been developed in recent years to meet the needs of products with varying specific temperature control requirements.

The use of dry ice and ice substitutes, however, regardless of external packaging used, are frequently inadequate because they do not provide low enough storage temperatures and, in the case of dry ice, last for only a few days without re-icing. As a result, companies run the risk of increased costs due to lost specimens and additional shipping charges due to the need to re-ice

Some of the other disadvantages to using dry ice for shipping or transporting temperature sensitive products are as follows:

- Availability of a dry ice source;
- Handling and storage of the dry ice;
- · Cost of the dry ice;
- Weight of containers when packed with dry ice;
- Securing a shipping container with a high enough R-value to hold the dry ice and product for the required time period; and
- · Securing a shipping container that meets the requirements for International Air Transportation Association ("IATA"), the Department of Transportation ("DOT"), the Center for Disease Control ("CDC"), and other regulatory agencies.

Due to the limitations of dry ice, shipment of specimens at true cryogenic temperatures can only be accomplished using liquid nitrogen (LN<sub>2</sub>) dry vapor shippers, or by shipping over actual liquid nitrogen. While such shippers provide solutions to the issues encountered when shipping with dry ice, they too are experiencing some criticisms by users or potential users. For example, the cost for these products typically can range from \$650 to \$3,000 per unit, which can substantially limit their use for the transport of many common biologicals, particularly with respect to small quantities such as is the case with direct to the physician drug delivery. Because of the initial cost and limited production of these containers, they are designed to be reusable. However, the cost of returning these heavy containers can be significant, particularly in international markets, because most applications require only one-way shipping.

Another problem with these existing systems relates to the hold time of the unit in a normal, upright position versus the hold time when the unit is placed on its side or inverted. The liquid nitrogen can leak out of the container when it is positioned on its side or inverted. This leaking will compromise the dependability of these dry shippers, particularly when used in circumstances requiring lengthy shipping times. The Company's current reusable shippers have only a 40% reduction in hold time when placed on their sides or inverted. One of the Company's significant competitors, Chart Industries, Inc., publishes on their web site, a 60% reduction in hold time when its units are placed on their side and a 90% reduction when its units are inverted. Since other competitors use similar absorbent materials to that used by Chart Industries, Inc., the Company believes the performance characteristics will be similar for their products of this particular size and volume.

Finally, these containers are often promoted as being durable due to their metal construction. However, rough handling can result in the puncturing of the outer shell or cracking at the neck area, resulting in the loss of the high vacuum insulation. This renders the shippers useless. A hard-shell shipping enclosure is available as an optional accessory to provide additional protection for these units at an additional cost to the user. The metal construction also adds to the weight of the container, thereby adding substantially to shipping costs.

## The CryoPort Solution:

During the past several years, a number of trends have emerged in the temperature-sensitive packaging industry as a result of economic and technological changes. The Company has focused its product development efforts to respond to what it perceives to be the more significant of these trends, specifically the following:

- · Smaller, more efficient packaging (increasing thermal density);
- · Emphasis on decreasing costs and system simplification;
  - Need for turnkey services;
- · Development of international programs and markets;
- Centralization of commercial products and services; and
- Development of regulatory standards.

Smaller, More Efficient Packaging. Advances in both materials and manufacturing technology have made it possible to reduce the size, weight, complexity and cost of packaging, while increasing the capabilities of high performance packaging. These advances are the result of developments in the aerospace industry in the areas of high strength, low weight materials and thermal technology. The Company is applying this technology in its product development efforts, and believes that it is at the forefront of applying this technology in the public sector. The Company's development efforts are focused on the application of polymers and high volume metal casting and forming methods that have traditionally been excluded from the cryogenic industry because product quantities have been too low to efficiently utilize these materials and methods. Cryoport currently manufactures its reusable shipper with an approximate liquid nitrogen volume of five liters. The Company's future intended products will be a range of shippers with liquid nitrogen capacities from approximately one to five liters in size.

Emphasis on Decreasing Costs and System Simplification. Because current dry vapor LN<sub>2</sub> shipping containers are expensive, many users do not keep an ample supply on hand. Consequently, some users require that these be returned promptly. This often results in very expensive express return shipping which will significantly magnify as shipping volumes increase. This has created a demand for smaller, lower cost dry vapor LN<sub>2</sub> shipping containers. In addition, many users have expressed a strong interest in the production of a dry vapor LN<sub>2</sub> shipper that is inexpensive enough to be used in a disposable or limited usage manner. The current price of Cryoport's reusable shippers range from \$685 to \$1,095. The price range for the proposed disposable/one way shippers when developed is initially expected to range from \$50 to \$175 per use, depending on size.

As previously noted, dry vapor  $LN_2$  shipping containers are made of medium gauge metal that makes them vulnerable to denting and breaking and increases shipping costs due to the added weight. Additionally, their design requires that they be kept in an upright position to achieve advertised hold times. If they are placed in a horizontal position,  $LN_2$  can leak out or boil off, substantially reducing their hold times. The Company anticipates manufacturing its shippers in smaller sizes from lighter weight materials that significantly reduce their weight (thereby reducing shipping costs) and manufacturing cost, which will allow them to be used one time for outbound shipments and then disposed. Additionally, the patented absorbent used to hold the  $LN_2$  much more efficiently retains liquid when its shippers are positioned on their sides or inverted. The Company has significantly reduced the boil off (loss of liquid nitrogen refrigerant) that all dry shippers experience when not kept vertical.

Turnkey Services. The pharmaceutical industry depends on clinical trials for Food and Drug Administration approval of new drugs. A significant number of these trials require frozen transport of specimens obtained from patients in the study. A number of pharmaceutical companies now specify temperature-sensitive frozen packaging and services as part of "turnkey" contracts with contract research organizations. To meet the demands of their customers, freight forwarding companies, such as World Courier, Federal Express and DHL, take responsibility for procuring appropriate packaging, shipping by airline, and delivering the specimens to the point of analytical testing. This comprehensive service addresses the stringent requirements imposed by pharmaceutical companies to ensure appropriate quality control for their clinical studies. The Company believes its reusable and disposable dry shippers will greatly enhance the reliability of the quality control required.

Development of International Programs and Markets. The biotechnology and pharmaceutical industries are now transnational industries with locations in various parts of the industrially developed and developing world. Since many products produced by these industries must be shipped in temperature-sensitive packaging, the logistical problems presented by longer distances, and sometimes unreliable forwarding entities, are becoming of greater concern. Weekends, holidays, lost containers, hot weather and indirect courier routes all place a strain on the ability of current shipping devices to provide appropriate temperatures when extraordinary delays are encountered. Because the Company's shippers are able to maintain cryogenic temperatures of minus 150°C, or less, for up to 10 days, its shippers are better able to insure the integrity of specimens affected by unexpected shipping delays.

Centralization of Commercial Products and Services. In recent years, the competitive environment in health care has intensified rapidly, while increased managed care participation, coupled with Medicare and Medicaid reimbursement issues, have placed significant pressure to increase efficiency on market segments that service the health care industry. These include the diagnostic clinical laboratory industry and pharmaceutical industry. In response to these, and other pressures, the clinical laboratory industry experienced a consolidation, through both acquisition and attrition, which resulted in fewer, more centralized testing locations, processing a larger volume of specimens. With fewer testing sites processing increased volumes, a tremendous strain has been placed on the traditional modes for transporting these goods.

With respect to the pharmaceutical industry, the emergence of international pharmaceutical conglomerates through mergers and acquisitions, such as Smith Kline Beecham, and the dramatic growth of relatively new companies such as Amgen, coupled with the emergence of contract research organizations, such as Quintiles (with testing laboratories in Atlanta, Georgia, Buenos Aires, Edinburgh, Pretoria, Singapore and Melbourne), which contract with pharmaceutical companies to handle, among other things, clinical trials and testing, means that distribution networks for the transport of temperature-sensitive products have become much more complex.

The Company believes that it has developed, and is developing, products that are ideally suited to address the issues presented by these trends.

Development of Regulatory Standards. The shipping of diagnostic specimens, infectious substances and dangerous goods, whether via air or ground, falls under the jurisdiction of many state, federal and international agencies. The quality of the containers, packaging materials and insulation that protect a specimen determine whether or not it will arrive in a usable condition. Many of the regulations for transporting dangerous goods in the United States are determined by international rules formulated under the auspices of the United Nations. For example, the International Civil Aviation Organization ("ICAO") is the United Nations organization that develops regulations (Technical Instructions) for the safe transport of dangerous goods by air. If shipment is by air, compliance with the rules established by IATA is required. IATA is a trade association made up of airlines and air cargo carriers that publishes annual editions of the IATA Dangerous Goods Regulations. These regulations interpret and add to the ICAO Technical Instructions to reflect industry practices. Additionally, the CDC has regulations (published in the Code of Federal Regulations) for interstate shipping of specimens, and the Occupational Safety and Health Organization ("OSHA") also addresses the safe handling of Class 6.2 Substances. The Company's DG1000 meets packing instruction 602 and 650 and is certified for the shipment of Class 6.2 Dangerous Goods per the requirements of the International Civil Aviation Organization (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air and the International Air Transport Association (IATA).

## The Company's Current Product Line:

**Reusable Cryogenic Dry Vapor Shippers.** The Company has developed three lines of reusable cryogenic dry vapor shippers which the Company believes solve the specific problems in, and are responsive to the evolving needs of the market place of temperature-critical, frozen and refrigerated transport of biologicals. This line of shippers is capable of maintaining cryogenic temperatures of minus 150 or less, for up to 10 days.

These products, which are in full production at the Company's Brea facility, consist of the AR1000, the DG1000 and the DS650. The DG1000 is designed for shipping biological material classified as dangerous goods by IATA standards. This shipper is IATA certified for the shipment of Class 6.2 Dangerous Goods. The AR1000 is utilized primarily in the veterinary and human assisted reproduction markets. This shipper may be used where packaging of the biological material need not comply with IATA Packing Instructions 602 or 650. The DS650 is utilized for the shipment of specimens for diagnosis, treatment or evaluation of disease that must conform to the IATA 650 packaging standards. The Company has recently introduced a soft case for the same cryogenic Dewar; identified as the PSX1000 and the PS1000. These units are smaller, lighter in weight, and more easily handled than the units described above. They are pending certification testing.

These shippers are lightweight, low-cost, re-usable vapor phase liquid nitrogen storage containers that combine the best features of packaging, cryogenics and high vacuum technology. Each of these three shippers is composed of an aluminum metallic Dewar flask, with a well for holding the biological material in the inner chamber. A Dewar flask, or "thermos bottle," is an example of a practical device in which the conduction, convection and radiation of heat are reduced as much as possible. A high surface, low density open cell plastic foam material surrounds the inner chamber for retaining the liquid nitrogen in-situ by absorption, adsorption and surface tension. Absorption is defined as the taking up of matter in bulk by other matter, as in dissolving of a gas by a liquid, whereas adsorption is the surface retention of solid, liquid or gas molecules, atoms or ions by a solid or liquid. This material absorbs LN<sub>2</sub> up to six times faster than currently used materials, while providing the shipper with a hold time and capacity to transport biological materials safely and conveniently.

The annular space between the inner and outer Dewar chambers is evacuated to a very high vacuum (10<sup>-6</sup> Torr). The specimen-holding chamber has a primary cap to enclose the specimens, and a removable and replaceable secondary cap to further enclose the specimen holding container and to contain the LN<sub>2</sub>. The entire Dewar vessel is then wrapped in a plurality of insulating and cushioning materials and placed either in a hard plastic shipper shell, or in a ballistic nylon soft shell outer case with a hinged lid, as with the Company's PSX1000

The Company believes the above product configuration satisfies the needs of the markets that require the temperature-critical, frozen and refrigerated transport of biological materials, such as pharmaceutical clinical trials, gene biotechnology, infectious materials handling, and animal and human reproduction. Due to the Company's unique proprietary technology and innovative design, its shippers are less prone to losing functional hold time when not kept in an upright position than the competing products. The Company's continuing R&D efforts are expected to lead to the introduction of smaller size units constructed of lower cost materials and utilizing high volume manufacturing methods that will make it practical to offer disposable or limited use cryogenic packages.

Materials to be transported in the AR1000 shipper are typically placed in a canister that is lowered into the well of the shipper, which is held in place by the cap and neck tube. The materials to be transported in the DG1000 and DS650 shippers are placed in a bio-cartridge, which in turn is placed in a leak proof plastic bag. The canister, or vial holder, and its contents are surrounded by cold  $LN_2$  vapor from the saturated absorbent filler.

An important feature of the DG1000 and DS650 (and soon to be incorporated into the PSX1000) shippers is their compliance with the stringent packaging requirements of IATA Packing Instructions 602 and 650, respectively. These instructions include the internal pressure (hydraulic) and drop performance requirements. The Company believes its shippers were the first cost-effective cryogenic shippers to comply with these regulations, which it hopes will substantially enhance product acceptance, and facilitate its marketing efforts for both its reusable shippers and its planned disposable shippers.

Biological Material Holders for Infectious and Dangerous Goods. The Company has also developed a patented containment bag which is used in connection with the shipment of infectious or dangerous goods. The inner packaging of the DG1000 shipper contains watertight primary receptacles (one and one-half millimeter vials.) Up to five vials are then placed onto aluminum holders and up to fifteen holders (75 vials) are placed into an absorbent pouch, designed to absorb the entire contents of all the vials in the event of leakage. This pouch containing up to 75 vials is then placed in a watertight secondary packaging plastic bag capable of withstanding cryogenic temperatures, and then sealed. This entire package is then placed in a unique, patented, secondary containment bag, which is a plastic film based material, critical to the function of the overall cryogenic package. These bags use a pressure-sensitive adhesive closure much like a common overnight courier envelope. As a result, these bags are inherently disposable, one-use-only. This bag is then placed into the well of the cryogenic shipper.

Artificial Insemination Canisters. The Company has also developed an artificial insemination canister for use with its AR1000 shipper. Semen straws, which resemble the familiar plastic stirrers for hot beverages and are similar in size, come in two sizes, based on volume - one-half cc and one-quarter cc. These straws are sealed at both ends and placed in small cylindrical "goblets" that are in turn placed into a twelve-inch long cane. Fifteen canes can be placed in the metallic cylindrical canister that fits within the well of the shipper. The canister has a flexible handle and separate vapor plug. Straws can also be stored in bulk in 65mm diameter goblets in two layers using a disposable canister or via the use of a lifter. With the disposable canister or lifter, up to 720 ½ cc or 1600 ¼ cc straws can be stored in the AR1000.

## The Company's Future Products:

The Company's continuing R&D efforts are expected to lead to the introduction of smaller size units constructed of lower cost materials and utilizing high volume manufacturing methods that will make it practical to offer disposable or limited use cryogenic packages.

The transition from a reusable shipper to a one-way shipper is planned during early calendar year 2006 and will be accomplished initially by a simple reduction in the size of existing materials, the simplification of the outer protective shipping package and the use of established manufacturing practices. Subsequently, in order to enable higher volume production, alternate materials which are processed differently will be employed, with anticipated substantial cost reductions to be made to both the inner cryogenic Dewar and the outer integrated shipping case, while maintaining most of the Company's proven, current manufacturing methods. This product will then be transitioned to a fully disposable one-way shipper with an appropriate recycling program. The one-way shipper will employ alternate materials of construction, which will further enable both higher mass manufacturing and additional cost reduction opportunities.

The Company's driving logic in developing a one-way shipper is:

- To make the cost of the cryogenic package less than, or equal to, the total cost of ownership (on a one time use basis including return shipping and handling) of a reusable unit depending on the ultimate capacity and hold time of the shipper.
- · To create the opportunity to ultimately offer a seamless "bio-express" courier service to the Company's target markets via its strategic partners.

## Sales and Marketing:

The Company currently has an internal sales and marketing group which manages both its direct sales efforts and its third party resellers, which include Air Liquide and SCA Thermosafe. The Company also has relationships with several other distributors and agents. The Company's current distribution channels cover the Americas, Europe and Asia. The company has no distributors or agents that account for greater than 10% of overall sales volumes other than our independent South American sales agent. All agreements are non-exclusive with the exception of our South American sales agent.

The Company's geographical sales for the year ended March 31, 2005 were as follows:

USA	80.9%
South America	10.0%
Europe	5.9%
Asia	1.8%
Other North America	1.4%

#### **Customer Base:**

The Company believes that the primary customers for its dry vapor shippers (both reusable and the future disposable) are concentrated in the following markets for the following reasons:

- Pharmaceutical clinical trials
- · Gene biotechnology
- · Transport of infectious materials and dangerous goods
- · Pharmaceutical distribution
- · Artificial insemination and embryo transfer in animals; and
- · Human assisted reproduction artificial insemination

Pharmaceutical Clinical Trials. Every pharmaceutical company developing a new drug that must be approved by the Food and Drug Administration conducts clinical trials to, among other things, test the safety and efficacy of the potential new drug. In connection with the clinical trials, the companies may enroll patients from all over the world who regularly submit a blood specimen at the local hospital, doctor's office or laboratory. These samples are then sent to the specified testing laboratory, which may be local or in another country. The testing laboratories will typically set the requirements for the storage and shipment of blood specimens. While domestic shipping of these specimens is sometimes accomplished adequately using dry ice, international shipments present several problems, as dry ice, under the best of circumstances, can only provide freezing for up to 36 hours, in the absence of re-icing (which is quite costly). Because shipments of packages internationally can be delayed for more than 36 hours due to flight cancellations, incorrect destinations, labor problems, ground logistics and safety reasons, dry ice is not always a reliable and cost effective option. Clinical trial specimens are often irreplaceable because each one represents data at a prescribed point in time, in a series of specimens on a given patient, who may be participating in a trial for years. Sample integrity during the shipping process is vital to retaining the maximum number of patients in each trial. The Company's shippers are ideally suited for this market, as the hold time provided by its shipper ensures that specimens can be sent over long distances with minimal concern that they will arrive in a condition that will cause their exclusion from the trial.

Furthermore, the IATA requires that all airborne shipments of laboratory specimens be transmitted in either IATA 650 or 602 certified packaging. As a result, shippers of long distance clinical trials specimens will be automatic candidates to use the DG1000, the Company's 602-certified dangerous goods reusable shipper, or the DS650, 650-certified diagnostic specimen reusable shipper. Once the Company has developed and obtained IATA certification of a disposable dry vapor shipper, it will be ideally suited for this market, in particular due to the elimination of the cost to return the reusable shipper.

*Gene Biotechnology.* According to a recent edition of the Corporate Technology Directory, there are approximately 3600 pharmaceutical and biotechnology companies in the United States. Of these companies, approximately 2600 are biotechnology companies and approximately 1000 are pharmaceutical companies. The gene biotechnology market includes basic and applied research and development in diverse areas such as stem cells, cloning, gene therapy, DNA tumor vaccines, tissue engineering, genomics, and blood products. Company's participating in the foregoing fields rely on the frozen transport of specimens in connection with their research and development efforts.

Transport of Infectious Materials and Dangerous Goods. The transport of potentially infectious materials demands strict adherence to regulations that protect public safety while maintaining the viability of the material being shipped. All blood products are considered to be potentially infective and must be treated as such. Pharmaceutical companies, private research laboratories and hospitals ship tissue cultures and microbiology specimens, which are also potentially infectious materials, between a variety of entities, including private and public health reference laboratories. Almost all specimens in this infectious materials category require either a refrigerated or frozen environment. According to a doctor at the National Institute of Health (NIH), over 2 million vials of potentially infective material are shipped domestically or internationally each year, within the NIH alone. The Company initially developed its DG1000 shipper to meet the shipping requirements of this market.

Partly in response to the attack on the World Trade Center and the anthrax scare, government officials and health care professionals are focusing renewed attention on the possibility of attacks involving biological and chemical weapons such as anthrax, smallpox and sarin gas. Efforts expended on research and development to counteract biowarfare agents requires the frozen transport of these agents to and from facilities conducting the research and development. Vaccine research, including methods of vaccine delivery, also requires frozen transport. The Company's DG1000 shipper is suited to this type of research and development.

Pharmaceutical Distribution. The current focus for the disposable products under development is in the area of pharmaceutical distribution. There are a significant number of therapeutic drugs and vaccines currently or soon to be, undergoing clinical trials. After the FDA approves them for commercial distribution, it will be necessary for the manufacturers to have a reliable and economical method of distribution to the physician who will administer the product to the patient. Although there are not now a large number of drugs, there are a substantial number in the development pipeline. It is likely that the most efficient and reliable method of distribution will be to ship a single dosage to the administering physician. These drugs are typically identified to individual patients and therefore will require a complete tracking history from the manufacturer to the patient. The most reliable method of doing this is to ship a unit dosage specifically for each patient. Because the drugs require maintenance at cryogenic temperatures, each such shipment will require a cryogenic shipping package. The Company anticipates being in a position to service that need.

Artificial Insemination and Embryo Transfer in Animals. The primary animal artificial insemination market that the Company is interested in is the bovine market. Markets of secondary interest are the equine, swine, sheep and canine markets. The largest established market is dairy cattle, followed by beef cattle and horses. In addition, the swine breeding industry is rapidly converting to artificial insemination for breeding purposes.

The bovine semen shipping market can be divided into three distinct parts:

- The shipment of very large numbers of semen straws from one large artificial insemination company to another;
- The shipment of fewer straws from large artificial insemination companies to smaller distributors; and
- The "residential" shipment of small quantities of straws to small farms and dairies.

The last two categories are ideally suited for the use of the Company's medium capacity AR1000 shipper or the PSX1000 shipper. The first category is viewed as one of limited potential as there are fewer shipments, each containing a very large numbers of straws. Even though the shipments in the first category initially contain larger numbers of straws, they are often broken down into much smaller numbers of straws and shipped to end users in medium capacity shippers, such as The Company's AR1000 and PSX1000.

Although the bovine market is the largest and most mature market for shipping semen in dry vapor shippers, the use of this procedure for other species such as swine appears to be rapidly increasing.

Breeding horses by artificial insemination or embryo transfer is also becoming commonplace and has a growing international component. Shipping valuable animals for purposes of breeding is both costly and potentially injurious. The demand for desirable equine genetics for improving breeding stock has led to the shipment of semen or embryos to every part of the world.

Sheep, goats, dogs and exotic species are also being increasingly bred by artificial insemination. Airlines do not want to assume the liability of shipping live animals and discourage the practice whenever possible. While it was previously common for dogs to be shipped for breeding purposes, canine sperm banks are shipping semen at an increasing rate.

Assisted Human Reproduction. According to The Wall Street Journal, January 6, 2000 issue, 30,000 infants are born annually in the United States through artificial insemination and according to Department of Health statistics, 10 million Americans annually are affected by infertility problems. It is estimated that this represents at least 50,000 doses of semen. Since relatively few sperm banks provide donor semen, frozen shipping is almost always involved. As with animal semen, human semen must be stored and shipped at cryogenic temperatures to retain viability, to stabilize the cells and to ensure reproducible results. This can only be accomplished with the use of liquid nitrogen or LN<sub>2</sub> dry vapor shippers. The Company anticipates that this market will continue to increase as this practice gains acceptance in new areas of the world.

## Competition:

Within the Company's intended markets for a low cost and disposable or limited usage Dewar, there is no currently known competition. CryoPort intends to become competitive by reason of improved technological characteristics and by introducing the concept of disposability and single use products. None of the traditional suppliers of cryogenic shippers is known to have competitive equipment nor are they expected to have anything available within a short period of time. The traditional suppliers, Chart Industries, Harsco, and Air Liquide have various models of dry shippers available that sell at prices that preclude any concept of disposability. On the other hand, they are more established and have larger organizations and have greater financial, operational, sales and marketing resources and experience in research and development than the Company does. Other competitive factors include the ability of the shipper to retain liquid nitrogen when placed in non-upright positions, the overall "leak-proofness" of the package which determines compliance with shipping regulations and the overall weight and volume of the package which determine shipping costs.

## **Research and Development:**

The Company's principal research and development activities for the years 2004 and 2005 have centered around the investigation of materials of construction for the products and packages with the view of identifying those materials that yield fabrication costs consistent with the concept of disposability. Prototypes of one version of a unit dose transport system were developed and preliminary designs of a second concept were completed. Other research and development effort was directed toward improvements to the liquid nitrogen retention system to render it more reliable in the general shipping environment. In some circumstances, the Company may out-source the building of a prototype, or a component thereof, to a third party that may have certain areas of expertise necessary for the construction of the prototype. The Company's research and development expenditures during the fiscal years ended March 31, 2005 and March 31, 2004 approximated \$98,700 and \$61,000, respectively.

## **Grant Funding:**

In September 1999, the National Institute of Health awarded us a Phase I SBIR grant to evaluate the "LN<sub>2</sub> Vapor Cooled Dry Frozen Specimen Shipper." The Company successfully completed the Phase I program and the final SBIR report was submitted on March 30, 2000. The purpose of the study was to develop a low cost, polymer Dewar that would be a major element of the disposable shipper. The Company then submitted a Phase II SBIR grant application to continue this work in August 2001, which was awarded in late 2002. Funding under this grant was subsequently declined due to the need to prioritize the Company's product development activities in more significant areas.

## Manufacturing:

The component parts for the Company's products are primarily manufactured at third party manufacturing facilities. The Company also has a warehouse at the corporate offices in Brea, California, where the Company is capable of manufacturing certain parts and full assembly of its products. Most of the components that the Company uses in the manufacture of its products are available from more than one qualified supplier. For some components, however, there are relatively few alternative sources of supply and the establishment of additional or replacement suppliers may not be accomplished quickly. The Company anticipates that this will initially be the case with the outer shell the Company is developing for its disposable shipper.

Primary manufacturers include Spaulding Composites Company, Peterson Spinning and Stamping, Lydall Industrial Thermal Solutions, Ludwig, Inc., and Porex Porous Products Group. There are no specific agreements with any manufacturer nor are there any long term commitments to any. It is believed that any of the currently used manufacturers could be replaced within a short period of time as none have a proprietary component nor a substantial capital investment specific to the Company's products.

The Company's manufacturing process uses non-hazardous cleaning solutions which are provided and disposed of by an EPA approved supplier. EPA compliance costs for the company are therefore negligible.

## **Proprietary Rights and Licensing:**

In order to remain competitive, the Company must develop and maintain protection on the proprietary aspects of its technologies. The Company relies on a combination of patents, copyrights, trademarks, trade secret laws and confidentiality agreements to protect its intellectual property rights. The Company currently holds two issued U.S. trademarks and three issued U.S. patents primarily covering various aspects of its products. In addition, the Company intends to file for additional patents to strengthen its intellectual property rights. The technology covered by the above indicated patents refer to matters specific to the use of liquid nitrogen dewars relative to the shipment of biological materials. The concepts include those of disposability, package configuration details, liquid nitrogen retention systems, systems related to thermal performance, systems related to packaging integrity, and matters generally relevant to the containment of liquid nitrogen. Similarly, the trademarks mentioned relate to the cryogenic temperature shipping activity. Patents and trademarks currently held by the Company include:

Type:	No.	Issued	Expiration
Patent	6,467,642	Oct. 22, 2002	Oct. 21, 2022
Patent	6,119,465	Sep. 19, 2000	Sep. 18, 2020
Patent	6,539,726	Apr. 1, 2003	Mar. 31, 2023
Trademark	7,583,478,7	Oct. 29, 1999	Oct. 28, 2009
Trademark	7,586,797,8	Dec. 8, 1999	Dec. 7, 2009

The Company's success depends to a significant degree upon its ability to develop proprietary products and technologies and to obtain patent coverage for these products and technologies. The Company intends to continue to file patent applications covering any newly developed products, components, methods and technologies. However, there can be no guarantee that any of its pending or future filed applications will be issued as patents. There can be no guarantee that the U.S. Patent and Trademark Office or some third party will not initiate an interference proceeding involving any of its pending applications or issued patents. Finally, there can be no guarantee that its issued patents or future issued patents, if any, will provide adequate protection from competition, as discussed below.

Patents provide some degree of protection for the Company's proprietary technology. However, the pursuit and assertion of patent rights involve complex legal and factual determinations and, therefore, are characterized by significant uncertainty. In addition, the laws governing patent issuance and the scope of patent coverage continue to evolve. Moreover, the patent rights the Company possesses or are pursuing generally cover its technologies to varying degrees. As a result, the Company cannot ensure that patents will issue from any of its patent applications, or that any of its issued patents will offer meaningful protection. In addition, the Company's issued patents may be successfully challenged, invalidated, circumvented or rendered unenforceable so that its patent rights may not create an effective barrier to competition. Moreover, the laws of some foreign countries may not protect its proprietary rights to the same extent, as do the laws of the United States. There can be no assurance that any patents issued to the Company will provide a legal basis for establishing an exclusive market for its products or provide us with any competitive advantages, or that patents of others will not have an adverse effect on its ability to do business or to continue to use its technologies freely.

The Company may be subject to third parties filing claims that its technologies or products infringe on their intellectual property. The Company cannot predict whether third parties will assert such claims against it or whether those claims will hurt its business. If the Company is forced to defend itself against such claims, regardless of their merit, the Company may face costly litigation and diversion of management's attention and resources. As a result of any such disputes, the Company may have to develop, at a substantial cost, non-infringing technology or enter into licensing agreements. These agreements may be unavailable on terms acceptable to it, or at all, which could seriously harm the Company's business or financial condition.

The Company also relies on trade secret protection of its intellectual property. The Company attempts to protect trade secrets by entering into confidentiality agreements with third parties, employees and consultants. It is possible that these agreements may be breached, invalidated or rendered unenforceable, and if so, the Company's trade secrets could be disclosed to its competitors. Despite the measures the Company has taken to protect its intellectual property, parties to its agreements may breach confidentiality provisions in its contracts or infringe or misappropriate its patents, copyrights, trademarks, trade secrets and other proprietary rights. In addition, third parties may independently discover or invent competitive technologies, or reverse engineer its trade secrets or other technology. Therefore, the measures the Company is taking to protect its proprietary technology may not be adequate.

## **Government Regulation:**

The Company is subject to numerous federal, state and local laws relating to such matters as safe working conditions, manufacturing practices, environmental protection, fire hazard control, and disposal of hazardous or potentially hazardous substances. The Company may incur significant costs to comply with such laws and regulations now or in the future.

Users of the Company's shippers are subject to state, federal and international government and/or agency regulation with respect to the shipment of diagnostic specimens, infectious substances and dangerous goods. The quality of the containers, packaging materials and insulation that protect a specimen determine whether or not it will arrive in a usable condition. Many of the regulations for transporting dangerous goods in the United States are determined by international rules formulated under the auspices of the United Nations. Companies shipping certain items must comply with any applicable Department of Transportation and ICAO regulations, as well as rules established by IATA, the CDC, OSHA and any other relevant regulatory agency.

## RISK FACTORS:

You should carefully consider all of the material risks of the Company's business, including those described below, in addition to the other information contained in this registration statement. This registration statement contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those contained in the forward-looking statements. Factors that may cause such differences include, but are not limited to, those discussed below as well as those discussed elsewhere in this prospectus.

Concern that the Company will continue as a going concern.

There is uncertainty that the Company will continue as a going concern. The Company has a history of operating losses, has substantial outstanding indebtedness that the Company may be unable to repay or convert to equity and will need to carefully manage its liquidity. The Company will continue to need additional funds, and if additional capital is not available, the Company may have to limit, scale back or cease its operations.

The Company's consolidated financial statements report recurring losses and an accumulated deficit. For the years ended March 31, 2005 and 2004, the Company incurred net losses of \$1,038,110 and \$1,002,493, respectively, and its operations have used \$1,018,116 and \$782,093 of cash, respectively. As of March 31, 2005 the Company had an accumulated deficit of \$5,516,790. For the three month period ended June 30, 2005, the Company incurred a net loss of \$390,934, and its operations have used \$299,734 of cash. As of June 30, 2005 the Company had an accumulated deficit of \$5,907,724.

At June 30, 2005, the Company had approximately \$1,694,290 of outstanding indebtedness in the form of short-term and long-term promissory notes and accrued interest. Of such amount, \$1,662,790 of principal amount is long-term debt and an additional \$31,500 is considered short-term debt. Included in this indebtedness are notes representing \$642,500 in principal amount of outstanding indebtedness to P. Mullens and J.R. Dell, current members of its board of directors, representing working capital advances they made to it, which indebtedness is evidenced by demand notes bearing interest at the rate of 6% per annum and which provide for repayment in the form of scheduled monthly payments beginning April 1, 2006. An aggregate of an additional \$617,000 principal amount of debt that is evidenced by substantially similar notes is owed to two former directors and \$110,000 principal amount to R. Takahashi, a CryoPort Inc. shareholder. Any funds applied to repay the Company's outstanding indebtedness will not be available to fund its business. The Company may be unable to raise the funds necessary to repay its debt and the holders of past due amounts may seek to enforce their rights against it.

Based on presently known commitments and plans, the Company believes that the Company will be able to fund its operations and required expenditures through the second quarter of 2006 from cash on hand, cash flow from operations and cash from debt or equity financings or from lease financing sources. Revenues may not grow in the future, and the Company may not generate sufficient revenues for profitability. If the Company becomes profitable, the Company may not be able to sustain profitable operations. If the Company is unable to generate a sufficient amount of sales of its products to fund its operations and repay its outstanding indebtedness, the Company will need to seek alternative funding sources.

The Company also expects to incur additional costs related to ongoing research and development activities, and the expansion of its manufacturing, sales and marketing, and administrative functions. The Company may also need additional funding for possible strategic acquisitions of synergistic businesses, products and/or technologies. If adequate funds are not available, the Company may be required to defer or limit some or all of its sales, marketing, and/or research and development projects.

The Company will need to seek alternative funding sources from private or public placements of debt or equity, institutional or other lending sources, pursue strategic partners, sell certain assets or change operating plans to accommodate its liquidity issues. There is no assurance that the Company will be able to obtain any additional funds on favorable terms. Further, if the Company issues additional equity securities, the new equity securities may have rights or warrants or other securities exercisable for, or convertible into its capital stock, preferences or privileges senior to those of existing holders of its common stock. Any sales of additional shares of the Company's capital stock are likely to dilute its existing shareholders. Alternatively, the Company may borrow money from commercial lenders, possibly at high interest rates, which will increase the risk of your investment in the Company. The Company may also be required to seek funding through licensing to others on products or technologies that the Company otherwise would seek to commercialize itself.

The Company's cash requirements may vary materially from those now planned due to a number of factors, including, without limitation, the amount of revenues the Company generates from sales of its products, changes in its regulatory and marketing programs, production costs, anticipated research and development efforts, costs resulting from changes in the focus and direction of its research and development programs, and competitive advances that make it harder for it to market and sell its products. If adequate funds are not available, the Company may be required to reduce capital expenditures and delay, scale back or eliminate some of its research, development, sales and marketing initiatives, which would have a material adverse effect on its business, results of operations and ability to achieve profitability.

Potential difficulties or unanticipated cost in establishing product in the market.

If the Company experiences delays, difficulties or unanticipated costs in establishing the sales, distribution and marketing capabilities necessary to successfully commercialize its products, the Company will have difficulty maintaining and increasing its sales.

The Company is continuing to develop sales, distribution and marketing capabilities in the Americas, Europe and Asia. It will be expensive and time-consuming for it to develop a global marketing and sales network. Moreover, the Company may choose, or find it necessary, to enter into additional strategic collaborations to sell, market and distribute its products. The Company may not be able to provide adequate incentive to its sales force or to establish and maintain favorable distribution and marketing collaborations with other companies to promote its products. In addition, any third party with whom the Company has established a marketing and distribution relationship may not devote sufficient time to the marketing and sales of its products thereby exposing the Company to potential expenses in exiting such distribution agreements. The Company, and any of its third-party collaborators, must also market its products in compliance with federal, state, local and international laws relating to the providing of incentives and inducements. Violation of these laws can result in substantial penalties. If the Company is unable to successfully motivate and expand its marketing and sales force and further develop its sales and marketing capabilities, or if its distributors fail to promote its products, the Company will have difficulty maintaining and increasing its sales.

## Failure to compete effectively.

If the Company is not able to compete effectively, the Company may experience decreased demand for its products, which may result in price reductions.

The Company has two significant competitors in the cryogenic shipping container industry, Harsco Corporation and Chart Industries, Inc.. The Company's success depends upon its ability to develop and maintain a competitive position in the temperature sensitive dry shipper markets. The Company's competitors are well established with greater financial resources. As a result, they may develop products quicker or at lower costs, that may directly compete with the Company's future products. In addition, these competitors may develop technologies that render the Company's products obsolete or otherwise noncompetitive.

The Company may not be able to improve its products or develop new products or technologies quickly enough to maintain a competitive position in its market and continue to commercially develop its business. Moreover, the Company may not be able to compete effectively, and competitive pressures may result in less demand for its products and impair its ability to become profitable.

## Failure to attract or retain skilled personnel.

## If the Company does not attract and retain skilled personnel, the Company will not be able to expand its business.

The Company's future success will depend in large part upon its ability to attract and retain highly skilled engineering, operational, managerial and marketing personnel, particularly as the Company expands its activities in product development, and sales and manufacturing. The Company faces significant competition for these types of persons from other companies. The ability to attract personnel to the Company's vision depends both on the availability of skills and the ability of the Company to offer compensation and challenge compatible to career goals of potentially available individuals. The Company believes that the growth factors in the target markets are sufficient to attract the interest of well-qualified candidates for all positions as the need arises. To date, the Company has not experienced difficulties in attracting or retaining qualified personnel, however, there is no guarantee that there will be well-qualified candidates in the future to choose from. Consequently, if the Company is unable to attract and retain skilled personnel, the Company will not be able to expand its business.

## Patents, trade secrets, and proprietary rights of others.

The Company's success depends, in part, on its ability to obtain patent protection for the Company's products, preserve its trade secrets, and operate without infringing the proprietary rights of others.

The Company's policy is to seek to protect its proprietary position by, among other methods, filing U.S. and foreign patent applications related to its technology, inventions and improvements that are important to the development of its business. The Company has three U.S. patents relating to various aspects of its products. The Company's patents or patent applications may be challenged, invalidated or circumvented in the future or the rights granted may not provide a competitive advantage. The Company intends to vigorously protect and defend its intellectual property. Costly and time-consuming litigation brought by the Company may be necessary to enforce its patents and to protect its trade secrets and know-how, or to determine the enforceability, scope and validity of the proprietary rights of others.

The Company also relies upon trade secrets, technical know-how and continuing technological innovation to develop and maintain its competitive position. The Company typically requires its employees, consultants, advisors and suppliers to execute confidentiality agreements in connection with their employment, consulting, or advisory relationships with the Company. If any of these agreements are breached, the Company may not have adequate remedies available thereunder to protect its intellectual property or the Company may incur substantial expenses enforcing its rights. Furthermore, the Company's competitors may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to its proprietary technology, or the Company may not be able to meaningfully protect its rights in unpatented proprietary technology.

The Company cannot assure that its current and potential competitors and other third parties have not filed or in the future, will not file patent applications for, or have not received or in the future will not receive, patents or obtain additional proprietary rights that will prevent, limit or interfere with its ability to make, use or sell its products either in the U.S. or internationally. In the event the Company was to require licenses to patents issued to third parties, such licenses may not be available or, if available, may not be available on terms acceptable to the Company. In addition, the Company cannot assure that the Company would be successful in any attempt to redesign its products or processes to avoid infringement or that any such redesign could be accomplished in a cost-effective manner. Accordingly, an adverse determination in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent the Company from manufacturing and selling its products, which would harm its business.

The Company is not aware of any other company that is infringing any of the Company's patents or trademarks nor does the Company believe that it is infringing on the patents or trademarks of any other person or organization.

#### Manufacturing delays or interruptions in production.

## If the Company experiences manufacturing delays or interruptions in production, then the Company may experience customer dissatisfaction and its reputation could suffer.

If the Company fails to produce enough products at its own manufacturing facility or at a third-party manufacturing facility, the Company may be unable to deliver products to its customers on a timely basis, which could lead to customer dissatisfaction and could harm its reputation and ability to compete. The Company currently acquires various component parts for its products from a number of independent manufacturers in the United States. The Company would likely experience significant delays or cessation in producing its products if a labor strike, natural disaster, local or regional conflict or other supply disruption were to occur at any of its main suppliers. If the Company is unable to procure a component from one of its manufacturers, the Company may be required to enter into arrangements with one or more alternative manufacturing companies which may cause delays in producing its products. In addition, because the Company depends on third-party manufacturers, its profit margins may be lower, which will make it more difficult for the Company to achieve profitability. To date, the Company has not experienced any material delays to the point that its ability to adequately service customer needs has been compromised. As the business develops and quantity of production increases, it becomes more likely that such problems could arise.

## Limited number of suppliers.

Because the Company relies on a limited number of suppliers, the Company may experience difficulty in meeting its customers' demands for its products in a timely manner or within budget.

The Company currently purchases key components of its products from a variety of outside sources. Some of these components may only be available to the Company through a few sources, however, management has identified alternative materials and suppliers should the need arise. The Company generally does not have long-term agreements with any of its suppliers.

Consequently, in the event that the Company's suppliers delay or interrupt the supply of components for any reason, the Company could potentially experience higher product costs and longer lead times in order fulfillment. Suppliers that the Company materially relies upon are Spaulding Composites Company and Lydall Thermal Acoustical Sales.

## Potential dilution of existing stockholders.

If the Company is unable to generate sufficient revenue to provide the cash required to fund its operations in the future, the Company may be required to issue additional equity or convertible debt securities to provide its operations with additional working capital, which, in turn, will have the effect of diluting the relative ownership of its existing stockholders

The Company has supplemented the cash deficit arising from its operations with the proceeds from the sale of common stock, and will, if necessary, continue to supplement with cash from private or public placements of debt or equity. The issuance of additional equity or convertible debt securities will have the effect of reducing the percentage ownership of its current stockholders. In addition, these equity or convertible debt securities may have additional rights, preferences or privileges to those of its common stock, such as registration rights and preferences in liquidation. In the event the Company is required to raise additional funds to support its operations, additional funds may not be available on terms favorable to its company, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to fund its operations or otherwise continue as a going concern. As a result, our auditors have issued a going concern opinion.

## Liquidity of Company common stock.

## The Company's common stock is subject to penny stock regulation, which may affect its liquidity.

Because the Company will initially have its shares of common stock quoted on the Over-The-Counter Bulletin Board, its shares will be subject to regulations of the Securities and Exchange Commission (the "Commission") relating to the market for penny stocks. Penny stock, as defined by the Penny Stock Reform Act, is any equity security not traded on a national securities exchange or quoted on the NASDAQ National or Small Cap Market that has a market price of less than \$5.00 per share. The penny stock regulations generally require that a disclosure schedule explaining the penny stock market and the risks associated therewith be delivered to purchasers of penny stocks and impose various sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors. The broker-dealer must make a suitability determination for each purchaser and receive the purchaser's written agreement prior to the sale. In addition, the broker-dealer must make certain mandated disclosures, including the actual sale or purchase price and actual bid offer quotations, as well as the compensation to be received by the broker-dealer and certain associated persons. The regulations applicable to penny stocks may severely affect the market liquidity for its common stock and could limit your ability to sell your securities in the secondary market.

## Sale of Company shares may depress share price.

## The sale of substantial shares of the Company's common stock may depress its stock price.

As of December 15, 2005, the Company had 29,943,697 shares of common stock outstanding, and the last reported sales price of its common stock on the PinkSheets was \$5.05 per share. The Company could also issue up to approximately 4,209,111 additional shares of common stock upon the exercise of outstanding options and warrants as further described in the following table:

	Number of Shares	Weighted Average Per
Description of instrument	Outstanding	Share Exercise Price
Common shares issuable upon exercise of outstanding stock options	2,508,988	\$ 0.45
Common shares issuable upon exercise of outstanding warrants	1,700,123	\$ 0.74
Total	4,209,111	\$ 0.33

## Accounting for Stock Options.

A recently adopted change in the way companies must account for stock options may affect the Company's earnings and cause the Company to change its compensation practices.

The Company currently accounts for the issuance of stock options under Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees". In December 2004, the Financial Accounting Standards Board ("FASB") adopted the Statement of Financial Accounting Standards ("SFAS") No. 123R, Share-Based Payment, which will require the Company to account for equity under its stock plans as a compensation expense and its net income and earnings per share will be reduced. Currently, the Company record compensation expense only in connection with option grants that have an exercise price below fair market value. For option grants that have an exercise price at fair market value, the Company calculates compensation expense and discloses their impact on net income (loss) and earnings (loss) per share, as well as the impact of all stock-based compensation expense, in a footnote to its consolidated financial statements. SFAS No. 123R requires the Company to adopt the new accounting method beginning in its fiscal year beginning April 1, 2006, and will require the Company to expense stock based benefit awards, stock options, restricted stock and stock appreciation rights, as compensation cost.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

## Liquidity and Capital Resources

## **Total assets**

Cryoport, Inc. (the "Company"), was originally formed with the intention to first develop a reusable line of cryogenic shippers and once underway, to begin the research and development of a disposable, one-way cryogenic shipper. Since initial formation the Company has not had the funds to fully implement its business plan. The reusable line of cryogenic shippers has been in production since 2002, however, difficulties in penetrating the well established market for reusable cryogenic shippers, as well as a need for continuous redevelopment of the product line has resulted in only limited revenue generation from the sale of the reusable cryogenic shipper. During this time, the Company maintained research and development activities focused on the new product line of one-way shippers. The limited revenues produced from the reusable product line along with limited capital funding required the Company to assign only minimal resources to the development of the one-way cryogenic shippers. During the last quarter of the Company's 2005 operations, funding of \$991,875 was raised through a private placement offering of common stock under Regulation D. These funds were raised to allow the Company to focus on accelerating the development and launch of its one-way product. The Company has since been focusing significant resources on the development of a working prototype of this one-way shipper with the goal of launching the new product into the market in early calendar year 2006. The Company plans to introduce the single use/one-way products in limited quantities to selective customers during the first quarter of calendar year 2006. A broad launch to the general market will follow after feedback from this introductory distribution is received and customer demand is further understood. A higher volume demand is expected to develop as pharmaceutical products requiring cryogenic protection come to market.

The Company is currently discussing development of a shipper from the one-way product line for drug delivery with vaccine manufacturers. These potential one-way shipper customers are currently using the Company's reusable shippers in clinical trials. To address the high volume ramp up necessary to provide these customers with one-way shippers, the Company is currently involved in negotiations for a manufacturing and distribution partnership with two large, and well established manufacturing companies.

#### General Overview

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the audited consolidated balance sheet as of March 31, 2005 and the related consolidated statements of operations, cash flows and stockholders' deficit for the years ended March 31, 2005 and 2004, and the related notes as well as the unaudited quarterly information as of June 30, 2005 and for each of the three month periods ended June 30, 2005 and June 30, 2004 (see Part F/S Financial Statements). This discussion contains forward-looking statements, based upon current expectations that involve risks and uncertainties, such as the Company's plans, objectives, expectations and intentions.

## Going Concern

As reported in the Report of Independent Registered Public Accounting Firm on the Company's March 31, 2005 and 2004 financial statements, the Company has incurred recurring losses from operations and has a stockholders' deficit. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

There are significant uncertainties which negatively affect the Company's operations. These are principally related to (i) the limited distribution network for the Company's reusable product line, (ii) the early stage development of the Company's one-way product and the need to enter a strategic relationship with a larger manufacturer capable of high volume production and distribution, (iii) the absence of any commitment or firm orders from key customers in the Company's target markets for the reusable or the one-way shippers, (iv) the success in bringing products concurrently under development to market with the Company's key customers. Moreover, there is no assurance as to when, if ever, the Company will be able to conduct the Company's operations on a profitable basis. The Company's limited sales to date for the Company's product, the lack of any purchase requirements in the existing distribution agreements and those currently under negotiations, make it impossible to identify any trends in the Company's business prospects. There is no assurance the Company will be able to generate sufficient revenues or sell any equity securities to generate sufficient funds when needed, or whether such funds, if available, will be obtained on terms satisfactory to the Company.

The Company has not generated significant revenues from operations and has no assurance of any future significant revenues. The Company incurred net losses of \$390,934 and \$319,037 for the three month periods ended June 30, 2005 and June 30, 2004 respectively. The Company had a cash balance of \$413,212 at June 30, 2005. In addition, at June 30, 2005 the Company's accumulated deficit was \$5,907,724 and the Company had working capital of \$5,047. The management recognizes that the Company must obtain additional capital for the further development and launch of the one-way product and the eventual achievement of sustained profitable operations.

Management's plans include obtaining additional capital through a private placement offering of common stock under Regulation D. In addition, the Company's current negotiations with a manufacturing and distribution partner for the one-way product is expected to generate additional revenues through licensing fees.

The Company had historically operated by efficiently minimizing operating expenses. The Company will continue to maintain minimal operating expenditures through stringent cost containment measures. The Company's largest expenses relate to personnel and meeting the legal and reporting requirements of a public company. By utilizing part-time consultants, and asking employees to manage multiple roles and responsibilities whenever possible, operating costs have and will continue to be kept low. Additionally, a number of the Company's key employees and the Company's Board of Directors receive Company stock in lieu of cash as all or part of their compensation in an effort to minimize monthly cash flow. With this strategy the Company has established a critical mass of experienced business professionals capable of taking the Company forward.

The Company intends to carefully and gradually add key sales, marketing, engineering, scientific and operating personnel only as necessary. These strategic additions will help expand the Company's product offerings in the reusable and one-way cryogenic shipping markets, leading us to additional revenues and profits. As sales volumes and revenues increase, additional administrative personnel will be necessary to meet the added workload. Other expenses, such as sales, customer service and operations, will increase commensurate with increased revenues. The Company's current research and development efforts focus on development of the one-way shipper. Due to the ongoing nature of this research the Company is unable to ascertain with certainty the total estimated completion dates and costs associated with all phases of this research. As with any research effort, there is uncertainty and risk associated with whether these efforts will produce results in a timely manner so as to enhance the Company's market position. For the years ended March 31, 2005 and 2004, research and development costs were \$98,698 and \$61,002, respectively. Company sponsored research and development costs related to future products and redesign of present products is expensed as incurred and include such costs as salaries, employees benefits and costs determined utilizing the Black-Scholes option-pricing model for options issued to the Scientific Advisory Board and prototype design and materials costs.

## Liquidity and Capital Reserves

As of March 31, 2005 the Company's current assets of \$966,840 exceeded current liabilities of \$607,956 by \$358,884. Approximately 41% of current liabilities represent accrued payroll for executives who have opted to defer taking salaries until the Company has achieved positive operating cash flows.

Total assets increased to \$1,080,428 at March 31, 2005 from \$271,889 at March 31, 2004 as a result of cash received from the sale of common stock and increase in notes payable, partially offset by funds used in operating activities.

The Company's total outstanding indebtedness increased to \$2,260,463 at March 31, 2005 from \$2,096,979 at March 31, 2004 primarily from the increases in notes payable which was partially offset by a decrease in current liabilities from the reduction in operating payables. As of March 31, 2005, the Company owed \$67,440 of remaining principal to Falk, Shaff & Ziebell, LLP based on an unsecured interest bearing note at 5% compounded interest which originated from a March 2002 note payable related to conversion of outstanding legal bills. The original maturity date of this note was December 31, 2002, however, the terms of this note were subsequently amended in May 2004 to lower the monthly payments and eliminate the interest, as a result of the Company's financial situation and inability to meet the original terms of the note.

The remaining notes payable balance is comprised of unsecured indebtedness owed to five related parties including current and former board of directors representing working capital advances made to the Company from February 2001 through March 2005. These notes bear interest at the rate of 6% per annum and provide for principal payments beginning April 2006 of \$2,500 monthly and increasing by \$2,500 every six months to a maximum of \$10,000. Any remaining unpaid principal and accrued interest is due at maturity on various dates from February 2008 through June 2011.

## Notes Payable:

		Principal Bal.		
Lender	Origination Date	Maturity Date	Mar. 31, 2005	Interest Rate
Patrick Mullens	Aug. 2001	Jun. 2011	\$386,500	6%
Marc Grossman	Feb. 2001	Sep. 2011	\$330,000	6%
David Petreccia	Apr. 2001	Mar. 2011	\$287,000	6%
Jeffrey Dell	Aug. 2001	Nov. 2009	\$256,000	6%
Raymond Takahashi	Jun. 2003	Feb. 2008	\$110,000	6%
Falk, Shaff & Ziebell, LLP	Mar. 2002	Jun. 2008	\$67,440	n/a

As of June 30, 2005 the Company's current assets of \$686,077 exceeded current liabilities of \$681,030 by \$5,047. Approximately 44% of current liabilities represent accrued payroll for executives who have opted to defer taking salaries until the company has achieved positive operating cash flows.

Total assets decreased to \$796,491 at June 30, 2005 from \$1,080,428 at March 31, 2005 as a result of funds used in operating activities and usage of deposits previously paid to vendors partially offset by an increase in accounts receivable.

The Company's total outstanding indebtedness increased to \$2,343,840 at June 30, 2005 from \$2,260,463 at date March 31, 2005 primarily from the increases in accrued salaries and interest on notes payable.

The Company incurred negative cash flows from operations of \$1,018,116 for the year ended March 31, 2005 and \$299,734 for the first quarter ended June 30, 2005 due to the lack of adequate sales of the Company's reusable product group and the costs of research and development of the one way shipper. These negative cash flows from operations plus capital expenditures of \$14,879 for the year ended March 31, 2005 and \$19,249 for the first quarter ended June 30, 2005 have been financed through proceeds from increases in notes payable and the issuance of common stock. The Company increased principal balances of notes payable by a net amount of \$137,136 for the year ended March 31, 2005. There was no increase in notes payable principal balances during the first quarter ended June 30, 2005. Net proceeds from issuance of common stock were \$1,609,971 for the year ended March 31, 2005 and \$15,000 for the first quarter ended June 30, 2005.

The Company's cash balances as of March 30, 2005 and June 30, 2005 were \$720,195 and \$413,212 respectively. Based on presently known commitments and plans, the Company expects to fund its operations through the second quarter of 2006 from cash on hand, cash received on accounts receivable and cash from debt or equity financing or from lease financing sources for capital expenditures.

The Company does not expect to incur any material capital expenditures until sales volumes increase substantially. Any required future capital expenditures for manufacturing equipment for the launch of the one-way product will be funded out of future revenues or additional equity.

## Critical Accounting Policies

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Company bases it's estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes the following critical accounting policies, among others, affect the Company's more significant judgments and estimates used in the preparation of the Company's financial statements:

Allowance for Doubtful Accounts. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of the Company's customers to make required payments. The allowance for doubtful accounts is based on specific identification of customer accounts and the Company's best estimate of the likelihood of potential loss, taking into account such factors as the financial condition and payment history of major customers. The Company evaluates the collectibility of the Company's receivables at least quarterly. The allowance for doubtful accounts is subject to estimates based on the historical actual costs of bad debt experienced, total accounts receivable amounts, age of accounts receivable and any knowledge of the customers' ability or inability to pay outstanding balances. If the financial condition of the Company's customers were to deteriorate, resulting in impairment of their ability to make payments, additional allowances may be required. The differences could be material and could significantly impact cash flows from operating activities.

Inventory. The Company writes down the Company's inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand, future pricing and market conditions. Inventory reserve costs are subject to estimates made by the Company based on historical experience, inventory quantities, age of inventory and any known expectations for product changes. If actual future demands, future pricing or market conditions are less favorable than those projected by management, additional inventory write-downs may be required and the differences could be material. Such differences might significantly impact cash flows from operating activities. Once established, write-downs are considered permanent adjustments to the cost basis of the obsolete or unmarketable inventories.

Impairment of Long-Lived Assets. The Company assesses the recoverability of the Company's long-lived assets by determining whether the depreciation and amortization of long-lived assets over their remaining lives can be recovered through projected undiscounted cash flows. The amount of long-lived asset impairment is measured based on fair value and is charged to operations in the period in which long-lived asset impairment is determined by management. Manufacturing fixed assets are subject to obsolescence potential as a result of changes in customer demands, manufacturing process changes and changes in materials used. The Company is not currently aware of any such changes that would cause impairment to the value of its manufacturing fixed assets. If the Company's patents and trademarks are challenged, current values could become impaired. Currently the Company is not aware of any existing infringements or other such challenges to its patents or trademarks that would cause possible impairment to their values.

Accrued Warranty Costs. The Company estimates the costs of the standard warranty, included with the reusable shippers at no additional cost to the customer for a period up to one year. These estimated costs are recorded as accrued warranty costs at the time of product sale. These estimated costs are subject to estimates made by the Company based on the historical actual warranty costs, number of products returned for warranty repair and length of warranty coverage.

Revenue Recognition. Product sales revenue is recognized upon passage of title to customers, typically upon shipment of product. Any provision for discounts and estimated returns are accounted for in the period the related sales are recorded. Products are generally sold with right of warranty repair for a one year period but with no right of return. Estimated costs of warranty repairs are recorded as accrued warranty costs as described above. Products shipped to customers for speculation purposes are not considered sold and no revenue is recorded by the Company until sales acceptance is acknowledged by the customer.

## Results of Operations - Year Ended March 31, 2005 Compared to Year ended March 31, 2004

**Net Sales.** During the year ended March 31, 2005 the Company generated \$271,429 from reusable shipper sales compared to revenues of \$84,285 in the prior year period, an increase of \$187,144, or 222%. Approximately \$84,000 of this increase is due to the new product releases of the "soft-shelled" reusable cryogenic shippers in July 2004, approximately \$75,000 of the increase is due to increased sales penetration into the biotech and pharmaceutical markets for the Company's reusable shippers, and the remainder of the sales increase is attributable to a general increase in sales of existing units in existing markets.

During 2006, the Company expects revenues of the "soft-shelled" reusable shippers to increase, but any such increase is not expected to impact significantly the Company's operating results for 2006. The statement concerning future sales is a forward-looking statement that involves certain risks and uncertainties which could result in a fluctuation of sales below those achieved for the year ended March 31, 2005. Sales could be negatively impacted by potential competing products and overall market acceptance of the Company's products.

Gross Profit/Loss. Gross loss for the year ended March 31, 2005 decreased by \$112,299, or 33% to \$228,221 compared to \$340,520 for the year ended March 31, 2004. The decrease in the gross loss is due to the increase in sales.

Cost of sales for the year ended March 31, 2005 increased \$74,845, or 18%, to \$499,650 from \$424,805 for the year ended March 31, 2004. This increase was caused by approximately \$104,000 from increased sales volume which was partially offset by approximately \$16,000 in lower warranty costs and the remaining offset was due to increased production efficiency. During both periods cost of sales exceeded sales due to plant underutilization.

During 2006, management expects the gross loss to decrease further as a result of anticipated increased sales. The statement concerning future gross profit/loss is a forward looking statement that involves certain risks and uncertainties which could result in a fluctuation of gross margins below those achieved for the year ended March 31, 2005. Gross profit/loss could be negatively impacted by potential competing products and overall market acceptance of the Company's products.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$191,887 or 46%, to \$622,797 for the year ended March 31, 2005 as compared to \$430,910 for the year ended March 31, 2004. Of this increase, \$163,965 is related to increased general and administrative costs due to approximately \$85,000 from additional accrued executive salaries and expenses related to stock option compensation, approximately \$55,000 from salary and personnel increases, and approximately \$31,000 from increased litigation settlement costs and additional legal fees related to the share exchange agreement which were offset in part by an approximate \$10,000 reduction in facility costs and the remaining offset was due to decreased general and administrative travel expenses. The remaining increase of \$27,921 in selling, general and administrative expenses was due to increased sales and marketing expenses related to approximately \$10,500 from increased consulting, approximately \$7,900 from increased commissions, approximately \$5,000 from increased trade shows and the remainder due to an overall increase in sales and marketing activities.

Research and Development Expenses. Research and development expenses increased by \$37,696 to \$98,698 for the year ended March 31, 2005 as compared to \$61,002 for the year ended March 31, 2004 due to approximately \$24,000 in increased consulting expenses in connection with the re-engineering activity related to the current reusable product and the remaining increase in research and development expenses was due to the increased development activity on the one-way product.

Net Loss. As a result of the factors described above, in fiscal year 2005, the Company's net loss was \$1,038,110 or (\$0.06) per share, compared to a net loss of \$1,002,493 or (\$0.08) per share in fiscal year 2004.

## Results of Operations - Three Months Ended June 30, 2005 Compared to Three Months Ended June 30, 2004

Net Sales. During the three months ended June 30, 2005 the Company generated \$122,493 from reusable shipper sales compared to revenues of \$66,227 in the same period of the prior year, an increase of \$56,266, or 85%. The increase is primarily due to increased sales penetration into the biotech and pharmaceutical markets for the Company's reusable shippers.

Gross Profit/Loss. Gross loss for the three month period ended June 30, 2005 decreased by \$120,714, or 85% to \$21,463 compared to \$142,177 for the three month period ended June 30, 2004. The decrease in the gross loss is due to the increased sales combined with increased production overhead efficiencies and plant utilization.

Cost of sales for the three month period ended June 30, 2005 decreased \$64,408, or 31%, to \$143,956 from \$208,404 for the three month period ended June 30, 2004. This reduction was the result of an approximate \$96,000 reduction in plant overhead as the result of increased plant utilization and production efficiency which was offset by an increase in product costs of approximately \$31,500 resulting from the increase in sales volume. During both periods, cost of sales exceeded sales due to plant underutilization.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$126,605, or 89%, to \$268,764 for the three month period ended June 30, 2005 as compared to \$142,159 for the three month period ended June 30, 2004. Of this increase in selling, general and administrative expenses, \$89,479 was related to additional legal and accounting fees related to the share exchange agreement and public filing compliance costs. The remaining \$41,336 increase in selling, general and administrative expenses was due to increased selling expenses related to increased sales and marketing activities devoted to further penetration of the biotech and pharmaceutical markets.

Research and Development Expenses. Research and development expenses increased by \$67,288 to \$79,353 for the three month period ended June 30, 2005 as compared to \$12,065 for the three month period ended June 30, 2004 in connection increased development activity on the one-way product.

Net Loss. As a result of the factors described above, the net loss for the quarter ended June 30, 2005 increased by \$71,897, or 23% to \$390,934 or (\$0.01) per share compared to \$319,037 or (\$0.02) per share for the quarter ended June 30, 2004.

## **Forward Looking Statements**

This Report on Form 10SB contains forward-looking statements. Such forward-looking statements which the Company makes involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from the forward-looking statements include quarterly and yearly fluctuations in results, the progress of research and the development of that research and the other risks detailed from time to time in the Company's reports, including this filing. These forward-looking statement speak only as the date hereof, and should not be given undue reliance. Actual results may vary significantly.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### ITEM 3. DESCRIPTION OF PROPERTY.

The Company's corporate, research and development, and warehouse facilities are located in one Company-leased office and warehouse building with a square footage of approximately 8,000 square feet. The facilities are located at 451 Atlas Street, Brea, California 92821. The Company currently makes lease payments of \$7,500.00 per month. The lease is a two year lease with rent due at the beginning of each month. The landlord is Brea Hospital Properties, LLC. The facilities are in good condition and are suitable for the Company's current requirements. The Company currently does not own any real property.

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

### **Security Ownership of Certain Beneficial Owners:**

The following table sets forth information with respect to the beneficial ownership of the Company's common stock as of October 10, 2005, by each person or group of affiliated persons known to the Company to beneficially own 5% or more of its common stock, each director, each named executive officer, and all of its directors and named executive officers as a group. As of October 10, 2005, there were 29,907,697 shares of common stock outstanding. Unless otherwise indicated, the address of each beneficial owner listed below is c/o CryoPort, Inc., 451 Atlas Street, Brea, California 92821.

The following table gives effect to the shares of common stock issuable within 60 days of October 10, 2005, upon the exercise of all options and other rights beneficially owned by the indicated stockholders on that date. Unless otherwise indicated, the persons named in the table have sole voting and sole investment control with respect to all shares beneficially owned:

Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned
Executive Officers and Directors:		
Peter Berry	1,253,370(1)	4.6%
Patrick Mullens, M.D.	2,592,153	8.7%
Jeffrey Dell, M.D.	1,515,989	5.1%
Dee S. Kelly	91,752(1)	*
Adam M. Michelin	0	0.0%
Gary C. Cannon	0	0.0%
All directors and named executive officers as a group (6 persons)	5,453,264	17.2%
37		

Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned
Other 5% Stockholders:		
Raymond Takahashi, M.D.	2,518,012 <sup>(1)</sup>	8.3%
David Petreccia, M.D.	2,081,751(1)	7.0%
Dante Panella	1,950,000	6.6%

<sup>\*</sup>Less than 1% of outstanding shares of the Company's common stock.

# **Change in Control Agreements:**

There are no understandings, arrangements or agreements known by management at this time which would result in a change in control of CryoPort, Inc. or any subsidiary.

### ITEM 5: DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS.

### **Directors and Executive Officers:**

As of October 10, 2005, the directors and executive officers of the Company, their ages, positions, and terms of office are as follows:

### **Directors and Officers:**

Name	Age	Position	Date Elected
Peter Berry	58	Chief Executive Officer, President and Director	2003
Dee S. Kelly, CPA	44	Vice President of Finance	2003
Patrick Mullens, M.D.	59	Chairman of the Board, Director	2000
Gary C. Cannon	54	Secretary and Director	2005
Jeffrey Dell, M.D.	58	Director	2000
Adam M. Michelin	62	Director	2005

The officers of the Company hold office until their successors are elected and qualified, or until their death, resignation or removal.

None of the directors or officers holds a directorship in any other reporting company.

<sup>(1)</sup> Includes shares which individuals shown above have the right to acquire as of October 10, 2005, or within 60 days thereafter, pursuant to outstanding stock options and/or warrants as follows: Mr. Berry - 1,253,370 shares; Dr. Takahashi - 583,333 shares; Dr. Petreccia - 83,333 shares; and Ms. Kelly 91,752 shares.

None of the directors or officers listed above has:

- had a bankruptcy petition filed by or against any business of which that person was a general partner of executive officer either at the time of the bankruptcy or within two years prior to that time;
- · had any conviction in a criminal proceeding, or been subject to a pending criminal proceeding;
- been subject to any order, judgment, or decree by any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting such person's involvement in any type of business, securities or banking activities;
- been found by a court of competent jurisdiction, the Commission, or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law

### **Background of Directors and Officers:**

Patrick Mullens MD, became the Company's Chairman of the Board and a member of the Company's Board of Directors in March 2005 in connection with the Share Exchange Agreement with CryoPort Systems, Inc. Dr. Mullens served as the Company's Chairman until June 22, 2005. Dr. Mullens was the founder of CryoPort Systems, Inc. and served as its President from 2000 to 2003 and has served as Chairman of the Board since 2000. Dr. Mullens is a Doctor of Pathology (Yale and UCLA), with over 30 years' cryobiology experience. He has also served as Laboratory Director and Officer with the United States Public Health Service. He was Chief of Pathology at Brea Community Hospital from 1999 to 2004. Since 2004 he has worked at Premier Pathology Laboratories, Inc.

Peter Berry, became the Company's President, Chief Executive Officer and a member of the Company's Board of Directors in connection with the Share Exchange Agreement. Mr. Berry joined CryoPort Systems, Inc. as a consultant in 2002 and became its President, Chief Executive Officer, Chief Operating Officer and a member of its Board of Directors in 2003. Prior to joining the Company, Mr. Berry was Vice President Sales & Marketing for BOC Cryostar, AG in Switzerland from 1996 to 2000 and principal of a private consulting practice from 2001 to 2003. Mr. Berry has over 30 years executive experience in cryogenic equipment with Union Carbide, BOC Group and MVE International. He also has business start up, turnaround, sales/marketing and operations background experience, both domestic and international, in manufacturing and service based industries.

**Dee S. Kelly CPA**, became Vice President of Finance. Ms. Kelly has 22 years experience in public and private accounting. She served 5 years in the Healthcare Group of Ernst & Young, LLP. She has also held financial management positions with international bio-tech and medical device manufacturers. Ms. Kelly recently served as Vice President, Controller for Equifax Financial Services, Inc. from 1995 to 2000. Prior to joining the Company in 2003, Ms. Kelly was Corporate Controller for MacGillivray Freeman Films Corporation from 2000 to 2001, Corporate Controller for Masimo Corporation, a manufacturer of patient monitoring devices from 2001 to 2002 and principal of a private consulting practice since 2002.

Gary C. Cannon, became the Company's Secretary and a member of the Company's Board of Directors in June 2005. Prior to joining the Company, Mr. Cannon was securities counsel and compliance officer for The Affordable Energy Group, Inc. from November 2004 to May 2005, and general and securities counsel for World Transport Authority, Inc. from July 2003 to November 2004. Mr. Cannon was in private practice from August 2000 to July 2003, and has practiced law for the past 18 years, representing all sizes of businesses in such areas as, formation, mergers and acquisitions, financing transactions, tax planning, and employee relations. Mr. Cannon has done extensive securities work and has served as a compliance officer for companies with respect to the Sarbanes-Oxley Act, and other compliance matters. Mr. Cannon obtained his Juris Doctorate from National University School of Law, his Masters of Business degree from National University and his Bachelor of Arts from United States International University.

Jeffrey Dell, M.D., became a member of the Company's Board of Directors in March 2005 in connection with the Share Exchange Agreement. Dr. Dell has served as a Director of CryoPort Systems, Inc. since December 2000. For the past 22 years, Dr. Dell has been a cardiologist in clinical practice at St. Jude Hospital, Fullerton CA. He holds a masters degree in physics from the University of Chicago with specialization in solid state / liquid crystal physics.

Adam M. Michelin, became a member of the Company's Board of Directors in June 2005. Mr. Michelin is currently the Chief Executive Officer, and a principal, of the Enterprise Group, a position he has held since March 2005. Prior to the Enterprise Group, Mr. Michelin was a principal with Kibel Green, Inc. for a period of 11 years. Mr. Michelin has over 30 years of practice in the areas of executive leadership, operations and is very experienced in evaluating, structuring and implementing solutions for companies in operational and/or financial crisis. Mr. Michelin received his Juris Doctorate from the University of West Los Angeles and his Bachelor of Science from Tri State University. Mr. Michelin has also done MBA course work at New York University.

### **Board Committees:**

The Company formally established an audit committee and adopted an Audit Committee Charter at its board of directors meeting held on August 19, 2005. Adam M. Michelin, who qualifies as the "audit committee financial expert," as defined in the applicable Securities and Exchange Commission rules and is "independent" as defined by the applicable rules under the NASDAQ Listing standards, was elected chairman of the committee. The Company is currently reviewing the requirements for and the need to set up an executive committee and other committees to help its board of directors oversee the operations of the Company.

### ITEM 6. EXECUTIVE COMPENSATION.

### **Executive Compensation:**

The following table sets forth the compensation earned for all services rendered to the Company in all capacities for each of the three fiscal years ended March 31, 2005, 2004 and 2003, respectively by the Company's Chief Executive and Vice President of Finance.

# **Summary Compensation Table**

		Annual Com	pens	ation <sup>(1)</sup>	Long-Term Compensation
Name and Position	Fiscal Year	Salary		Bonus	Number of Shares Underlying Options
Peter Berry	2005	\$ 90,915	\$	(4)	367,970
CEO and President	2004	\$ 89,250			500,000
	2003	\$ 38,658(2)	\$	(3)	500,000
Dee S. Kelly	2005	\$ 60,000		n/a	36,752
Vice-President Finance	2004	\$ 28,300		n/a	75,000

- (1) The column for "Other Annual Compensation" has been omitted because there is no compensation required to be reported in that column. The aggregate amount of perquisites and other personal benefits provided to each executive officer listed above is less than the lesser of \$50,000 and 10% of his or her total annual salary and bonus.
- (2) Includes \$35,950 paid to Mr. Berry as a consultant.
- (3) A bonus of up to 100% of salary (\$84,000) was eliminated along with a reduction in salary from \$84,000 per year to \$60,000 per year, in exchange for the grant of 250,000 additional stock options.
- (4) A bonus of up to 200% of his current salary of \$93,000 can be earned based on agreed targets in 2005. It is estimated that this bonus amount will be approximately \$100,000 and is still pending final board approval.

### **Option Grants in Last Fiscal Year:**

The following table sets forth information concerning individual grants of options made during the fiscal year ended March 31, 2005 to each of the Company's executive officers named in the Summary Compensation Table. The Company has never granted any restricted shares:

		Individual Grants					
	·	% of Total Options					
	Number of Shares	Granted to					
	Underlying Options	Employees in Fiscal	Exercise Price Per				
Name	Granted	Year	Share	Expiration Date			
Peter Berry	367,970	57% 5	0.04	8/1/09			
Dee S. Kelly	36,752	6% 5	0.04	8/1/09			

### Aggregated Option Exercises in the Fiscal Year Ended March 31, 2005 and Year-End Option Values:

The following table sets forth information concerning the number and value of unexercised options held by each of the Company's executive officers named in the Summary Compensation Table at March 31, 2005. None of these executive officers exercised options during the fiscal year ended March 31, 2005:

	Shares Acquired on Exercise	Value Realized	Unexercised	ber of Shares Underlying nexercised Options at March 31, 2005		nexercised by Options at 1, 2005 (1)
Name			Exercisable	Unexercisable	Exercisable	Unexercisable
Peter Berry	n/a	n/a	1,159,626	208,344	\$ 421,673	\$ 52,086
Dee S. Kelly	n/a	n/a	73,752	20,000	\$ 29,794	\$ 3,800

<sup>(1)</sup> The values of the unexercised in-the-money options have been calculated on the basis of the estimated fair market value at March 31, 2005, of \$0.75 based on average selling price of recent unregistered common stock sales, less the applicable exercise price, multiplied by the number of shares acquired on exercise.

#### **Employment Agreement and Change-in-Control Arrangements:**

Peter Berry is subject to an employment agreement with the Company dated November 1, 2002, as amended March 17, 2003, pursuant to which he has been employed as the Company's President and Chief Operating Officer. The Agreement provides for an initial annual base salary of \$84,000, which increased to \$88,000 and \$93,000 in years two and three, respectively. In the event that the Agreement is renewed at the end of the initial term for an additional year, Mr. Berry's base salary will be increased to \$186,000. The Agreement provides that during the initial term Mr. Berry is eligible to earn an annual bonus equal to 100% of his then current base salary upon attaining mutually agreed upon goals. If the Agreement is renewed at the end of the initial term for an additional year, the eligible bonus is 40% of the new base salary. Pursuant to the Agreement, the Company granted Mr. Berry a stock option to purchase up to 500,000 shares of common stock at an exercise price of \$.50 per share, which option vested as to 125,000 shares on the first anniversary of the date of grant, and thereafter vests in 36 equal monthly installments through November 11, 2006. In the event that the Company terminates Mr. Berry's employment without "cause", as defined in the Agreement, or fails to renew the Agreement except for "cause", then upon such termination, the Company is obligated to pay to Mr. Berry as severance an amount equal to his then current base salary, plus any earned incentive bonus. In March 2003, the Agreement was amended to reflect Mr. Berry's agreement to a reduced base salary during the first year of \$60,000, and agreement to forego eligibility for an incentive bonus for such year. In exchange for the foregoing, the Company granted Mr. Berry an additional stock option to purchase an additional 250,000 shares of its common stock at a price of \$.50 per share. The option was vested as to 125,000 shares on the date of grant, and 62,500 shares on each of September 30, 2003 and March 31, 2004. All other terms of the Agreement re

### **Equity Compensation Plan Information:**

The Company currently maintains one equity compensation plan, referred to as the 2002 Stock Incentive Plan (the "2002 Plan"). As the Company do not have a formal compensation committee, the Board of Directors is responsible for granting options under this plan. The 2002 Plan, which was approved by its shareholders in October 2002, allows for the grant of options to purchase up to 5,000,000 shares of its common stock. The 2002 Plan provides for the granting of options to purchase shares of the Company's common stock at prices not less than the fair market value of the stock at the date of grant and generally expire ten years after the date of grant. The stock options are subject to vesting requirements, generally 3 or 4 years. The 2002 Plan also provides for the granting of restricted shares of common stock subject to vesting requirements. No restricted shares have been granted pursuant to the 2002 Plan as of May 31, 2005.

The following table sets forth certain information as of March 31, 2005 concerning the Company's common stock that may be issued upon the exercise of options or pursuant to purchases of stock under its 2002 Plan:

	(a)  Number of Securities to be Issued Upon the Exercise of Outstanding	(b) Weighted-Average Exercise Price	(c) Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in
Plan Category	Options	of Outstanding Options	Column (a))
Equity compensation plans approved by stockholders	2,508,988	\$ 0.45	2,491,012
Equity compensation plans not approved by stockholders	N/A	N/A	N/A
	2,508,988	\$ 0.45	2,491,012

### **Compensation of Directors:**

Historically, the Company has not compensated its directors for their attendance at meetings. As the Board of Directors plans to establish formal audit, compensation and nominating committees, comprised of independent directors, it is anticipated that non-employee directors will receive both cash fees and stock option grants.

# ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

In June 2005, the Company engaged Mr. Gary Cannon's services as outside counsel at the rate of \$6,000 per month. Mr. Cannon is the Company's secretary and a member of its board of directors.

As of June 30, 2005, the Company had \$386,500 and \$256,000 in principal amount of outstanding indebtedness to Patrick Mullens and Jeffrey Dell respectively, current members of its board of directors, representing working capital advances they made to it, which indebtedness is evidenced by demand notes bearing interest at the rate of 6% per annum and which provide for repayment in the form of scheduled monthly payments beginning April 1, 2006. Additional principal amounts of \$330,000 and \$287,000 that is evidenced by substantially similar notes is owed to Mark Grossman and David Petreccia respectively, two former directors and \$110,000 principal amount to Raymond Takahashi, a CryoPort Inc. shareholder. No new borrowings have been made by the Company as of October 10, 2005.

### ITEM 8. DESCRIPTION OF SECURITIES.

#### General:

The Company is authorized to issue 100,000,000 shares of common stock, with each share having a par value of \$0.001. As of March 31, 2005, there were 29,708,105 shares of common stock issued and outstanding held by 270 shareholders of record. There were no shares of preferred stock issued or outstanding at such date.

### Common Stock:

The Company's Articles of Incorporation, filed on May 25, 1990, authorizes the issuance of 5,000,000 shares of Common Stock at a par value of \$.001 per share. The Articles of Incorporation were amended and restated on October 12, 2004, to authorize the issuance of 100,000,000 shares of Common Stock at a par value of \$.001 per share. As of October 10, 2005, there were 29,907,697 shares of common stock issued and outstanding shares held by 281 shareholders of record. Holders of Common Stock are entitled to one vote for each share on all matters to be voted on by the stockholders. Holders of Common Stock have no cumulative voting rights. Holders of shares of Common Stock are entitled to share ratable in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion, from funds legally available therefore. In the event of liquidation, dissolution, or winding up of the Company, the holders of shares of Common Stock are entitled to share pro rata all assets remaining after payment in full of all liabilities. Holders of Common Stock have no pre-emptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such shares. All of the outstanding Common Stock is, and the shares offered by the Company pursuant to this offering will be, issued and delivered, fully paid and non-assessable.

### **Preferred Stock:**

There is no preferred stock authorized.

#### Warrants:

As of October 10, 2005 there were outstanding warrants to purchase up to 1,700,123 shares of the Company's common stock. The outstanding warrants were issued by CryoPort Systems, Inc. in connection with various debt and equity financings and assumed by the Company in connection with the Share Exchange Agreement. These warrants are exercisable at prices ranging from \$6.50 to \$0.30 per share, with a weighted average exercise price of \$0.74 per share, and have expiration dates ranging from February 2006 to December 2010.

### **Stock Options:**

As of October 10, 2005, there were outstanding options to purchase up to a total of 2,508,988 shares of the Company's common stock. The options were granted by CryoPort Systems, Inc. pursuant to the 2002 Plan. In connection with the Share Exchange Agreement, the Company assumed the 2002 Plan and the obligations associated with all outstanding stock options. These options are exercisable at prices ranging from \$0.04 to \$1.00 per share, with an average exercise price of \$0.45 per share.

### Transfer Agent and Registrar:

The Transfer Agent and Registrar for the Company's Common Stock is Integrity Stock Transfer, 2920 N. Green Valley Parkway, Building 5 - Suite 527, Henderson, Nevada, 89014.

### PART II

# ITEM 1. MARKET PRICE OF, AND DIVIDENDS ON, THE REGISTRANT'S COMMON EQUITY, AND OTHER MATTERS.

The Company's shares in common stock have never traded on any securities exchange. The Company plans to make an application to permit its common stock to trade on the over-the-counter bulletin board (OTCBB) when this registration statement on Form 10-SB shall become effective. There can be no assurance that an active public market for the Company's common stock will develop or be sustained.

Presently, the Company's common stock is traded through the PinkSheets under the symbol CYRX.PK. The Company's stock is considered penny stock and is, therefore, subject to the Securities Enforcement Remedies and Penny Stock Reform Act of 1990. Penny stock is defined as any equity security not traded on a national stock exchange or quoted on NASDAQ and that has a market price of less than \$5.00 per share. Additional disclosure is required in connection with any trades involving a stock defined as a penny stock (subject to certain exceptions), including the delivery, prior to any such transaction, of a disclosure schedule explaining the penny stock market and the associated risks. Broker-dealers who recommend such low-priced securities to persons other than established customers and accredited investors satisfy special sales practice requirements, including a requirement that they make an individualized written suitability determination for the purchase and receive the purchaser's written consent prior to the transaction. Prior to January, 2005, there was no published price for the Company's common stock on the PinkSheets. Based on information from BigCharts.com, for the fiscal quarter ended March 31, 2005, the quoted high and low price of the Company's common stock were \$5.80 and \$0.39, respectively. As of December 15, 2005, the quoted price of the Company's stock was \$5.05.

### **Dividends:**

The Company has not paid any dividends on its common stock and does not expect to do so in the foreseeable future. The Company intends to apply any future earnings to expanding its operations and related activities.

The payment of cash dividends in the future will be at the discretion of the Board of Directors and will depend on such factors as earnings levels, capital requirements, the Company's financial condition and other factors deemed relevant by the Board of Directors. In addition, the Company's ability to pay dividends may become limited under future loan or financing agreements of the Company that may restrict or prohibit the payment of dividends.

### ITEM 2. LEGAL PROCEEDINGS.

The Company is not currently a party to any pending, nor is the Company aware of any threatened, legal, governmental, administrative or judicial proceedings.

### ITEM 3. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS.

In May, 2005, the Company retained the independent registered public accounting firm of Corbin and Company, LLP to audit its financial statements for the fiscal years ended March 31, 2005 and 2004. There were no disagreements with Corbin and Company on accounting or financial disclosures. The Company had no existing relationship with an independent accountant prior to its engagement of Corbin and Company, LLP.

### ITEM 4. RECENT SALES OF UNREGISTERED SECURITIES.

The following is a summary of transactions by the Company during the past three years involving the issuance and sale of the Company's securities that were not registered under the Securities Act of 1933, as amended (the "Securities Act"). All securities sold by the Company were sold to individuals, trusts or others as accredited investors as defined under Regulation D under the Securities Act, as amended.

In connection with the consummation of the Company's Share Exchange Agreement dated March 16, 2005, with the shareholders of CryoPort Systems, Inc., the Company issued a total of 24,108,105 shares of its common stock to the shareholders of CryoPort Systems, Inc. in exchange for all issued and outstanding shares of CryoPort Systems, Inc.

In fiscal 2005, the Company sold 11,962,522 shares of common stock at prices ranging from \$0.04 to \$0.75 resulting in proceeds of \$1,609,971, net of offering costs of \$80,113.

In fiscal 2004, the Company sold 840,638 shares of common stock at prices ranging from \$0.50 to \$0.70 resulting in gross proceeds of \$459,984.

The following schedule lists the sales of shares of common stock during the fiscal years ended 2005 and 2004.

	. <u></u>	Fiscal 2005		Fiscal 2004
April	\$	81,000	\$	86,984
May	\$	40,000		-
June	\$	20,000	\$	50,000
July	\$	103,513		-
August	\$	62,824		-
September	\$	8,006	\$	10,000
October	\$	56,379	\$	45,000
November	\$	195,237	\$	78,000
December	\$	131,250	\$	40,000
January		-	\$	100,000
February	\$	835,562		-
March	\$	75,500	\$	50,000
	\$	1,609,271	\$	459,984

In June 2005, 50,000 warrants were exercised at a price of \$0.30 per share and 71,592 shares were issued pursuant to a cashless warrant exercise of 82,134 warrants at \$0.30 per share.

In August 2005, the Company settled a pending wrongful termination lawsuit involving a former employee with consideration being paid to the plaintiff in the form of 265,420 shares of the Company's common stock valued at \$10,617 based on \$0.04 per share (estimated fair value at date of settlement), and \$25,000 in cash, which is included in accrued liabilities in the accompanying balance sheet at March 31, 2005, to be paid 90 days subsequent to the Company operating under a positive cash flow basis.

In June 2005, 50,000 warrants were exercised at a price of \$0.30 per share and 71,592 shares were issued pursuant to a cashless warrant exercise of 82,134 warrants at \$0.30 per share.

In August 2005, the Company entered into Agency Agreements with various brokers to raise funds in a private placement offering of common stock under Regulation D. In connection with this agreement, 78,000 shares of the Company's common stock were sold to investors at a price of \$3.50 per share for gross proceeds of \$273,000 to the Company, net of issuance costs of \$32,340.

The issuances of the securities of the Company in the above transactions were deemed to be exempt from registration under the Securities Act by virtue of Section 4(2) thereof or Regulation D promulgated thereunder, as a transaction by an issuer not involving a public offering. With respect to each transaction listed above, no general solicitation was made by either the Company or any person acting on the Company's behalf; the securities sold are subject to transfer restrictions; and the certificates for the shares contained an appropriate legend stating such securities have not been registered under the Securities Act and may not be offered or sold absent registration or pursuant to an exemption therefrom. No underwriters were involved in connection with the sales of securities referred to in this Part I, Item 10.

#### ITEM 5. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Pursuant to the provisions of Section 78.7502 of the Nevada Revised Statutes (the "NRS"), every Nevada corporation has authority to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, except an action by or in the right of the corporation, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with the action, suit or proceeding if such person acted in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause or belief his conduct was unlawful.

Pursuant to the provisions of Section 78.7502, every Nevada corporation also has the authority to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses including amounts paid in settlement and attorneys' fees actually and reasonably incurred by such person in connection with the defense or settlement of the action or suit if such person acted in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation. No indemnification shall be made, however, for any claim, issue or matter as to which a person has been adjudged by a court of competent jurisdiction to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court determines that in view of all the circumstances, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

To the extent any person referred to in the two immediately preceding paragraphs is successful on the merits or otherwise in defense of any action, suit or proceeding, the NRS provides that such person must be indemnified by the corporation against expenses including attorneys' fees, actually and reasonably incurred by him in connection with the defense.

Section 78.751 of the NRS requires the corporation to obtain a determination that any discretionary indemnification is proper under the circumstances. The corporation's stockholders must make such a determination; its board of directors by majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding; or under certain circumstances, by independent legal counsel. The Company's amended and restated bylaws provide that the Company shall indemnify its directors, officers, employees and agents to the fullest extent provided by the NRS.

In addition, Section 78.138.7 of the NRS provides that directors and officers are not personally liable to the corporation, its stockholders, or its creditors for any damages resulting from their breach of fiduciary duties unless it is proven that the act or omission constituted a breach of fiduciary duty and the breach involved intentional misconduct, fraud or a knowing violation of law

### PART F/S

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of CryoPort, Inc.

We have audited the accompanying consolidated balance sheet of CryoPort, Inc. (the "Company") as of March 31, 2005, and the related consolidated statements of operations, stockholders' deficit and cash flows for each of the years in the two-year period ended March 31, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CryoPort, Inc. at March 31, 2005, and the results of its operations and its cash flows for each of the years in the two-year period ended March 31, 2005 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred recurring losses, and has a stockholders' deficit of \$1,180,035 at March 31, 2005. These factors, among others, raise substantial doubt as to the Company's ability to continue as a going concern. Management's plans in regard to these matters are described in Note 1. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

CORBIN & COMPANY, LLP

Irvine, California August 22, 2005, except for Note 12 as to which the date is September 23, 2005

# CONSOLIDATED BALANCE SHEET

ASSETS	March 31,
	 2005
Current assets:	
Cash	\$ 720,195
Accounts receivable, net	44,547
Inventories	150,980
Prepaid expenses and other current assets	51,118
Total current assets	966,840
Fixed assets, net	96,940
Intangible assets, net	16,648
	\$ 1,080,428
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current liabilities:	
Accounts payable	\$ 162,985
Accrued expenses	104,040
Accrued warranty costs	70,500
Accrued salaries	246,431
Current portion of notes payable	24,000
Total current liabilities	607,956
Related party notes and accrued interest payable	1,609,067
Notes payable and accrued interest, net of current portion	43,440
Total liabilities	2,260,463
Commitments and contingencies	
Stockholders' deficit:	
Common stock, \$0.001 par value; 100,000,000 shares	
authorized; 29,708,105	
shares issued and outstanding	29,708
Additional paid-in capital	4,307,047
Accumulated deficit	(5,516,790)
Total stockholders' deficit	(1,180,035)
	\$ 1,080,428

	For The Year	Ended	nded March 31,	
	2005		2004	
Net sales	\$ 271,42	\$	84,285	
Cost of sales	499,65	)	424,805	
Gross loss	(228,22	1)	(340,520)	
Operating expenses:				
Selling, general and administrative expenses	622,79	7	430,910	
Research and development expenses	98,69	3	61,002	
Total operating expenses	721,49	5	491,912	
Loss from operations	(949,71	5)	(832,432)	
Other expense:				
Interest expense	(85,76	3)	(67,791)	
Loss on disposition of assets	(1,82	5)	(94,609)	
Other	-	-	(6,861)	
Total other expense	(87,59	<b>t</b> )	(169,261)	
Loss before income taxes	(1,037,31)	))	(1,001,693)	
Income taxes	80	)	800	
Net loss	\$ (1,038,11)	(a) (b) (b) (c) (c) (c) (c) (c) (c) (c) (c) (c) (c	(1,002,493)	
Net loss available to common stockholders per				
common share:		c)	(0.00)	
Basic and diluted loss per common share	\$ (0.0)	5) \$	(0.08)	
Basic and diluted weighted average common		_		
shares outstanding	17,907,55	_	12,952,375	

# CRYOPORT, INC.

# CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Commo	on Stock	Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Deficit
Balance, April 1, 2003	12,547,092	\$ 12,547	\$ 2,112,209	\$ (3,476,187) \$	(1,351,431)
Issuance of common stock for cash	840,638	841	459,143		459,984
Stock options issued to consultants		-	68,850		68,850
Net loss				(1,002,493)	(1,002,493)
Balance, March 31, 2004	13,387,730	13,388	2,640,202	(4,478,680)	(1,825,090)
Issuance of common stock for cash, net of					
issuance costs of \$80,113	11,962,522	11,963	1,598,008		1,609,971
Issuance of common stock in connection					
with a legal settlement	265,420	265	10,352		10,617
Common stock returned by founders					
to reduce dilution	(1,507,567)	(1,508)	1,508		
Common stock issued in merger					
with GT5	5,600,000	5,600	(5,600)		
Stock options issued to consultants			62,577		62,577
Net loss				(1,038,110)	(1,038,110)
Balance, March 31, 2005	29,708,105	\$ 29,708	\$ 4,307,047	\$ (5,516,790) \$	(1,180,035)

# CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Years Ended I		
Cash flows from operating activities:	2005		2004
Net loss	\$ (1,038,110)	\$	(1,002,493)
Adjustments to reconcile net loss to net cash			
used in operating activities:			
Depreciation and amortization	92,596		91,948
Loss on disposal of assets	1,826		94,609
Fair value of stock options issued to consultants	62,577		68,850
Fair value of common stock issued in connection			
with a legal settlement	10,617		
Changes in operating assets and liabilities:			
Accounts receivable, net	(32,163)		(10,178)
Inventories	(97,863)		(5,629)
Prepaid expenses and other current assets	(43,942)		(2,735)
Other assets			7,905
Accounts payable	(131,429)		(110,154)
Accrued expenses	12,258		8,033
Accrued warranty costs	38,625		(15,375)
Accrued salaries	24,428		26,742
Accrued interest	82,464		66,384
Net cash used in operating activities	(1,018,116)		(782,093)
Cash flows used in investing activities:			
Purchases of fixed assets	(14,879)		(16,589)
Cash flows from financing activities:	 <u> </u>		`
Proceeds from borrowings under notes payable	190,000		241,000
Repayments of notes payable	(52,864)		(2,000)
Proceeds from issuance of common stock, net	1,609,971		459,984
Net cash provided by financing activities	 1,747,107		698,984
Net change in cash	714,112		(99,698)
Cash, beginning of year	6,083		105,781
Cash, end of year	\$ 720,195	\$	6,083
Supplemental disclosure of cash flow information:	 		
Cash paid during the year for:			
Interest	\$ 3,304	\$	1,407
Income taxes	\$ 800	\$	800

For The Years Ended March 31, 2005 and 2004

#### **NOTE 1 - ORGANIZATION AND BUSINESS**

#### Organization

Cryoport, Inc. (the "Company") was originally incorporated under the name G.T.5-Limited ("GT5") on May 25, 1990 as a Nevada Corporation. The Company was engaged in the business of designing and building exotic body styles for automobiles compatible with the vehicle's existing chassis.

On March 15, 2005, the Company entered into a Share Exchange Agreement (the "Agreement") with Cryoport Systems, Inc. ("Cryoport Systems"), a California corporation, and its stockholders whereby the Company acquired all of the issued and outstanding shares of Cryoport Systems in exchange for 24,108,105 shares of its common stock (which represents approximately 81% of the total issued and outstanding shares of common stock following the close of the transaction). Cryoport Systems was originally formed in 1999 as a California limited liability company and was reorganized into a California corporation on December 11, 2000. Cryoport Systems was founded to capitalize on servicing the transportation needs of the growing global "biotechnology revolution." Effective March 16, 2005, the Company changed its name to Cryoport, Inc. The transaction has been recorded as a reverse acquisition (see Note 2).

The principal focus of the Company is to develop a line of disposable (or one-way) dry cryogenic shippers for the transport of biological materials. These materials include live cell pharmaceutical products; e.g., cancer vaccines, diagnostic materials, reproductive tissues, infectious substances and other items that require continuous exposure to cryogenic temperature (less than -150°C). The Company currently manufactures a line of reusable cryogenic dry shippers. These primarily serve as vehicles for the development of the cryogenic technology that supports the disposable product development but also are essential components of the infrastructure that supports testing and research activities of the pharmaceutical and biotechnology industries. Our mission is to provide cost effective packaging systems for biological materials requiring, or benefiting from, a cryogenic temperature environment over an extended period of time.

### Going Concern

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has not generated significant revenues from operations and has no assurance of any future revenues. The Company incurred net losses of \$1,038,110 and \$1,002,493 during the years ended March 31, 2005 and 2004 respectively. The Company has a cash balance of \$720,195 at March 31, 2005. In addition, at March 31, 2005, the Company's accumulated deficit was \$5,516,790. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

For The Years Ended March 31, 2005 and 2004

# NOTE 1 - ORGANIZATION AND BUSINESS, continued

The Company's management recognizes that the Company must obtain additional capital for the eventual achievement of sustained profitable operations. Management's plans include obtaining additional capital through equity funding sources. However, no assurance can be given that additional capital, if needed, will be available when required or upon terms acceptable to the Company or that the Company will be successful in its efforts to negotiate an extension of its existing debt. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The acquisition of Cryoport Systems by the Company has been accounted for as a reverse acquisition, whereby the assets and liabilities of Cryoport Systems are reported at their historical cost. The Company had no assets or operations at the date of acquisition. The reverse acquisition resulted in a change in reporting entity for accounting and reporting purposes. Accordingly, the accompanying consolidated financial statements have been retroactively restated for all periods presented to report the historical financial position, results of operations and cash flows of Cryoport Systems. Since the Company's stockholders retained 5,600,000 shares of common stock in connection with the reverse acquisition, such shares have been reflected as if they were issued to the Company on the date of acquisition for no consideration as part of a corporate reorganization.

### Principles of Consolidation

The consolidated financial statements include the accounts of Cryoport, Inc. and its wholly owned subsidiary, Cryoport Systems, Inc. All intercompany accounts and transactions have been eliminated.

### Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from estimated amounts. The Company's significant estimates include allowances for doubtful accounts and sales returns, recoverability of long-lived assets, allowances for inventory obsolescence, accrued warranty costs, deferred tax assets and their accompanying valuations and product liability reserves.

For The Years Ended March 31, 2005 and 2004

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### Concentrations of Credit Risk

### Cash

The Company maintains its cash accounts in financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$100,000. At March 31, 2005, the Company had approximately \$582,538 of balances which were in excess of the FDIC insurance limit. The Company performs ongoing evaluations of these institutions to limit its concentration risk exposure.

#### Customers

The Company grants credit to customers within the United States of America and to a limited number of international customers, and does not require collateral. Sales to international customers are secured by advance payments or letters of credit. The Company's ability to collect receivables is affected by economic fluctuations in the geographic areas and industries served by the Company. Reserves for uncollectible amounts and estimated sales returns are provided based on past experience and a specific analysis of the accounts which management believes are sufficient. Accounts receivable at March 31, 2005 and 2004 are net of reserves for doubtful accounts and sales returns of approximately \$5,000. Although the Company expects to collect amounts due, actual collections may differ from the estimated amounts.

The Company has foreign sales primarily in Europe, Latin America and Canada. Foreign sales are primarily under exclusive distribution agreements with international distributors. During 2005 and 2004, the Company had foreign sales of approximately \$53,500 and \$6,100, respectively, which constituted approximately 20% and 7% of net sales, respectively.

The majority of the Company's customers are in the bio-tech and animal breeding industries. Consequently, there is a concentration of receivables within these industries, which is subject to normal credit risk.

### Fair Value of Financial Instruments

The Company's consolidated financial instruments consist of cash, accounts receivable, related party notes payable, payables, accrued expenses and a note payable to a third party. The carrying value for all such instruments, except the related party notes payable, approximates fair value at March 31, 2005. The difference between the fair value and recorded values of the related party notes payable is not significant.

For The Years Ended March 31, 2005 and 2004

# NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

### Inventories

Inventories are stated at the lower of standard cost or current estimated market value. Cost is determined using the first-in, first-out method. Work in process and finished goods include material, labor and applied overhead. The Company periodically reviews its inventories and records a provision for excess and obsolete inventories based primarily on the Company's estimated forecast of product demand and production requirements. Once established, write-downs of inventories are considered permanent adjustments to the cost basis of the obsolete or excess inventories.

### Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization of fixed assets are provided using the straight-line method over the following useful lives:

Furniture and fixtures	7 years
Machinery and equipment	5-7 years
Leasehold improvements	Lesser of lease term or estimated useful life

Betterments, renewals and extraordinary repairs that extend the lives of the assets are capitalized; other repairs and maintenance charges are expensed as incurred. The cost and related accumulated depreciation and amortization applicable to assets retired are removed from the accounts, and the gain or loss on disposition is recognized in current operations.

# Intangible Assets

Patents and Trademarks

Patents and trademarks are amortized using the straight-line method over their estimated useful life of five years.

For The Years Ended March 31, 2005 and 2004

# NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

### Long-Lived Assets

The Company's management assesses the recoverability of its long-lived assets upon the occurrence of a triggering event by determining whether the depreciation and amortization of long-lived assets over their remaining lives can be recovered through projected undiscounted future cash flows. The amount of long-lived asset impairment, if any, is measured based on fair value and is charged to operations in the period in which long-lived asset impairment is determined by management. At March 31, 2005, the Company's management believes there is no impairment of its long-lived assets. There can be no assurance however, that market conditions will not change or demand for the Company's products will continue, which could result in impairment of its long-lived assets in the future.

### Accrued Warranty Costs

Estimated costs of the Company's standard warranty, included with products at no additional cost to the customer for a period up to one year, are recorded as accrued warranty costs at the time of product sale. Costs related to servicing the standard warranty are charged to the accrual as incurred.

The following represents the activity in the warranty accrual during the years ended March 31:

	2005		2005 200		004
Beginning warranty accrual	\$	31,875	\$	47,250	
Increase in accrual (charged to cost of sales)		65,625		37,875	
Charges to accrual (product replacements)		(27,000)		(53,250)	
Ending warranty accrual	\$	70,500	\$	31,875	

### Revenue Recognition

Revenue is recognized in accordance with Staff Accounting Bulletin ("SAB") No. 101, Revenue Recognition in Financial Statements, as revised by SAB 104. The Company recognizes revenue when products are shipped to a customer and the risks and rewards of ownership and title have passed based on the terms of the sale. The Company records a provision for sales returns and claims based upon historical experience. Actual returns and claims in any future period may differ from the Company's estimates.

For The Years Ended March 31, 2005 and 2004

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

### Accounting for Shipping and Handling Revenue, Fees and Costs

The Company classifies amounts billed for shipping and handling as revenue in accordance with Emerging Issues Task Force ("EITF") Issue No. 00-10, Accounting for Shipping and Handling Fees and Costs. Shipping and handling fees and costs are included in cost of sales.

### **Advertising Costs**

The Company expenses the cost of advertising when incurred as a component of consolidated selling, general and administrative expenses. In 2005 and 2004, the Company expensed \$13,227 and \$9,668, respectively, in advertising costs.

### Research and Development Expenses

The Company expenses internal research and development costs as incurred. Third party research and development costs are expensed when the contracted work has been performed.

### Stock-Based Compensation

The Company accounts for equity instruments issued to non-employees in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, Accounting for Stock-Based Compensation, and EITF Issue No. 96-18, Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling Goods or Services. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the third-party performance is complete or the date on which it is probable that performance will occur.

SFAS No. 123 allows an entity to continue to measure compensation cost related to stock and stock options issued to employees using the intrinsic method accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees. Under APB No. 25, compensation cost, if any, is recognized over the respective vesting period based on the difference, on the date of grant, between the fair value of the Company's common stock and the grant price. Entities electing to remain with the accounting method of APB No. 25 must make pro forma disclosures of net income and earnings per share, as if the fair value method of accounting defined in SFAS No. 123 had been applied.

For The Years Ended March 31, 2005 and 2004

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Company has a stock-based employee compensation plan, which is described more fully in Note 10. The Company accounts for employee options granted under this plan under the recognition and measurement principles of APB No. 25, and related interpretations. No stock-based employee compensation cost is reflected in the accompanying consolidated statements of operations, as all employee options granted for the years ended March 31, 2005 and 2004 were issued at or above the estimated fair market value of the Company's common stock on the date of grant. The following table illustrates the effect on net loss and loss per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation.

	For The Years Ended March 31,			
		2005		2004
Net loss as reported	\$	(1,038,110)	\$	(1,002,493)
Deduct:				
Total stock-based employee compensation under				
fair value based method for all awards, net				
of related tax effects		(123,327)		(146,099)
Pro forma net loss	\$	(1,161,437)	\$	(1,148,592)
Basic and diluted loss per share - as reported	\$	(0.06)	\$	(0.08)
Basic and diluted loss per share - pro forma	\$	(0.07)	\$	(0.09)

### Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, Accounting for Income Taxes. Under the asset and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SFAS No. 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. The Company is a subchapter "C" corporation and files a federal income tax return. The Company files separate state income tax returns for California and Nevada.

For The Years Ended March 31, 2005 and 2004

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

### Basic and Diluted Loss Per Share

Basic loss per common share is computed based on the weighted average number of shares outstanding for the period. Diluted loss per share is computed by dividing net loss by the weighted average shares outstanding assuming all potential dilutive common shares were issued. Basic and diluted loss per share are the same as the effect of stock options and warrants on loss per share are anti-dilutive and thus not included in the diluted loss per share calculation. The impact under the treasury stock method of dilutive convertible debt, stock options and warrants would have resulted in an increase of 1,288,173 and 161,111 incremental shares for the years ended March 31, 2005 and 2004.

The following is a reconciliation of the numerators and denominators of the basic and diluted loss per share computations for the years ended March 31:

	2005	2004
Numerator for basic and diluted loss per share:		
Net loss available to common stockholders	\$ (1,038,110) \$	(1,002,493)
Denominator for basic and diluted loss per		
common share:		
Weighted average common shares outstanding	17,907,557	12,952,375
Net loss per common share available to common		
stockholders	\$ (0.06) \$	(0.08)

### Recent Accounting Pronouncements

In November 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 151, *Inventory Costs, an amendment of ARB No. 43, Chapter 4.* The amendments made by SFAS No. 151 clarify that abnormal amounts of facility expense, freight, handling costs, and wasted materials (spoilage) should be recognized as current-period charges and require the allocation of fixed production overheads to inventory based on the normal capacity of the production facilities. The guidance is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. Earlier application is permitted for inventory costs incurred during fiscal years beginning after November 23, 2004. The Company is in the process of evaluating whether the adoption of SFAS No. 151 will have a significant impact on the Company's overall results of operations or financial position.

For The Years Ended March 31, 2005 and 2004

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

In December 2004, the FASB issued SFAS No. 123 (revised 2004), Share-Based Payment ("Statement 123(R)") to provide investors and other users of financial statements with more complete and neutral financial information by requiring that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. Statement 123(R) covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. Statement 123(R) replaces SFAS No. 123 and supersedes APB 25. The Company will be required to apply Statement 123(R) in 2006. The Company is in the process of evaluating whether the adoption of Statement 123(R) will have a significant impact on the Company's overall results of operations or financial position.

In December 2004, the FASB issued SFAS No. 153, Exchange of Nonmonetary Assets - an amendment of APB Opinion No 29, Accounting for Nonmonetary Transactions. SFAS No. 153 eliminates the exception for non-monetary exchanges of similar productive assets, which were previously required to be recorded on a carryover basis rather than a fair value basis. Instead, this statement provides that exchanges of non-monetary assets that do not have commercial substance be reported at carryover basis rather than a fair value basis. A non-monetary exchange is considered to have commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provisions of this statement are effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not expect the adoption of SFAS No. 153 to have an impact on its financial condition or results of operations.

### **NOTE 3 - INVENTORY**

Inventory at March 31, 2005 consists of the following:

	2005
Raw materials	\$ 111,538
Work in process	21,582
Finished goods	17,860
	\$ 150,980

For The Years Ended March 31, 2005 and 2004

# **NOTE 4 - FIXED ASSETS**

Fixed assets consist of the following at March 31:

	 2005
Furniture and fixtures	\$ 18,768
Machinery and equipment	407,376
Leasehold improvements	 7,900
	434,044
Less accumulated depreciation and amortization	(337,104)
	\$ 96,940

Depreciation and amortization expense for fixed assets for the years ended March 31, 2005 and 2004 was \$83,344 and \$82,696, respectively.

# NOTE 5 - INTANGIBLE ASSETS

Intangible assets consist of the following at March 31:

	 2005
Assets subject to amortization:	
Patents and trademarks	\$ 46,268
Less accumulated amortization	(29,620)
	\$ 16,648

Amortization expense for intangible assets for the years ended March 31, 2005 and 2004 was \$9,252 and \$9,252, respectively. All of the Company's intangible assets are subject to amortization.

Estimated future annual amortization expense pursuant to these intangible assets is as follows:

Years Ending March 31,	-	
2006	\$	9,252
2007		7,396

For The Years Ended March 31, 2005 and 2004

### **NOTE 6 - INCOME TAXES**

The tax effects of temporary differences that give rise to deferred taxes at March 31, 2005 are as follows:

Deferred tax asset:	
Net operating loss carryforward	\$ 2,150,000
Accrued expenses and reserves	235,000
Expenses recognized for granting of options and warrants	56,000
Total gross deferred tax asset	2,441,000
Less valuation allowance	(2,441,000)
	\$ 

The valuation allowance increased by approximately \$441,000 and \$461,000 during the years ended March 31, 2005 and 2004, respectively. No current provision for income taxes for the years ended March 31, 2005 and 2004 is required, except for minimum state taxes, since the Company incurred taxable losses during such years.

The provision for income taxes for fiscal 2005 and 2004 was \$800 and differs from the amount computed by applying the U.S. Federal income tax rate of 34% to loss before income taxes as a result of the following:

	2005	2004
Computed tax benefit at federal statutory rate	\$ (355,00	(340,000)
State income tax benefit, net of federal effect	(62,00	(60,000)
Increase in valuation allowance	441,00	0 461,000
Other	(23,20	(60,200)
	\$ 80	800

As of March 31, 2005, the Company had net operating loss carry forwards of approximately \$5,700,000 and \$2,870,000 for federal and state income tax reporting purposes, which expire at various dates through 2025 and 2015, respectively.

For The Years Ended March 31, 2005 and 2004

### **NOTE 6 - INCOME TAXES, continued**

The utilization of the net operating loss carry forwards might be limited due to restrictions imposed under federal and state laws upon a change in ownership. The amount of the limitation, if any, has not been determined at this time. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. As a result of the Company's continued losses and uncertainties surrounding the realization of the net operating loss carry forwards, the Company has recorded a valuation allowance equal to the net deferred tax asset amount as of March 31, 2005.

### **NOTE 7 - COMMITMENTS AND CONTINGENCIES**

### Operating Leases

The Company has leased its facility in Brea, California on a month-to-month basis with varying monthly payments. Subsequent to year-end, on April 1, 2005, the Company entered into a noncancelable operating lease requiring monthly payments of \$7,500 and expiring on April 1, 2007.

As of March 31, 2005, future minimum rental payments required under the existing noncancelable operating lease are as follows:

Years Ending March 31,	perating Lease
2006	\$ 90,000
2007	90,000
Total minimum lease payments	\$ 180,000

Total rental expense was approximately \$20,000 and \$29,715 for the years ended March 31, 2005 and 2004, respectively.

### Litigation

The Company becomes a party to product litigation in the normal course of business. The Company accrues for open claims based on its historical experience and available insurance coverage. In the opinion of management, there are no legal matters involving the Company that would have a material adverse effect on the Company's financial condition or results of operations.

For The Years Ended March 31, 2005 and 2004

### NOTE 7 - COMMITMENTS AND CONTINGENCIES, continued

During 2004, a former employee initiated a wrongful termination lawsuit against the Company. The Company expensed all costs related to this matter as incurred in the accompanying consolidated financial statements. In August 2004, both parties agreed to settle the lawsuit with consideration being paid to the plaintiff in the form of 265,420 shares of the Company's common stock valued at \$10,617 based on \$0.04 per share (estimated fair value at date of settlement), and \$25,000 in cash, which is included in accrued liabilities in the accompanying balance sheet at March 31, 2005, to be paid 90 days subsequent to the Company operating under a positive cash flow basis. The total settlement cost of \$35,617 is reflected in selling, general and administrative expenses in the accompanying statements of operations for the year ended March 31, 2005.

#### **Indemnities and Guarantees**

The Company has made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain actions or transactions. The Company indemnifies its directors, officers, employees and agents, as permitted under the laws of the States of California and Nevada. In connection with its facility lease, the Company has indemnified its lessor for certain claims arising from the use of the facility. In connection with its business merger, the Company has indemnified the merger candidate for certain claims arising from the failure of the Company to perform any of its representation or obligations under the agreements. The duration of the guarantees and indemnities varies, and is generally tied to the life of the agreement. These guarantees and indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated nor incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities and guarantees in the accompanying balance sheets.

### **NOTE 8 - NOTES PAYABLE**

The Company has an unsecured, non-interest bearing note payable to a third party. The Company is currently making monthly payments of \$2,000 as agreed upon with the third party. As of March 31, 2005 and 2004, the remaining unpaid balance was \$67,440 and \$75,304, respectively.

As of March 31, 2005 and 2004, the Company had \$1,369,500 and \$1,224,500, respectively, in outstanding unsecured indebtedness owed to five related parties including current and former board of directors representing working capital advances made to the Company from February 2001 through March 2005. These notes bear interest at the rate of 6% per annum and provide for total monthly principal payments of \$2,500, which increase by \$2,500 every six months to a maximum of \$10,000 beginning April 1, 2006. Any remaining unpaid principal and accrued interest is due at maturity on various dates through March 1, 2015.

For The Years Ended March 31, 2005 and 2004

### NOTE 8 - NOTES PAYABLE, continued

Related party interest expense under these notes was \$82,464 and \$66,384 for the years ended March 31, 2005 and 2004, respectively. Accrued interest, which is included in notes payable in the accompanying balance sheet, related to these notes amounted to \$239,567 and \$157,103 as of March 31, 2005 and 2004, respectively.

Future maturities of notes payable at March 31, 2005 are as follows:

Years Ending March 31,	Related Party	Third Party	Total
2006	\$	\$ 24,000	\$ 24,000
2007	45,000	24,000	69,000
2008	105,000	19,440	124,440
2009	120,000		120,000
2010	120,000		120,000
Thereafter	979,500		979,500
	1,369,500	\$ 67,440	\$ 1,436,940

### NOTE 9 - COMMON STOCK

In fiscal 2005, the Company sold 11,962,522 shares of common stock at prices ranging from \$0.04 to \$0.75 resulting in proceeds of \$1,609,971, net of offering costs of \$80,113.

In connection with the reverse acquisition (see Note 1), the Company issued 1,000,000 shares to a majority stockholder in exchange for the stockholder's surrender of 1,354,891 shares of Cryoport Systems' common stock held by the stockholder.

In fiscal 2004, the Company sold 840,638 shares of common stock at prices ranging from \$0.50 to \$0.70 resulting in gross proceeds of \$459,984.

# NOTE 10 - STOCK OPTIONS

Effective October 1, 2002, the Company adopted the 2002 Stock Option Plan (the "2002 Plan"). The stockholders of the Company approved the 2002 Plan on October 1, 2002. Under the 2002 Plan, incentive stock options and nonqualified options may be granted to officers, employees and consultants of the Company for the purchase of up to 5,000,000 shares of the Company's common stock. The exercise price per share under the incentive stock option plan shall not be less than 100% of the fair market value per share on the date of grant. The exercise price per share under the non-qualified stock option plan shall not be less than 85% of the fair market value per share on the date of grant. Expiration dates for the grants may not exceed 10 years from the date of grant. The 2002 Plan terminates on October 1, 2012.

For The Years Ended March 31, 2005 and 2004

### NOTE 10 - STOCK OPTIONS, continued

Under the terms of the 2002 Plan, the Company granted options to purchase 367,970 and 500,000 shares of the Company's common stock under incentive stock option agreements in 2005 and 2004, respectively, and granted options to purchase 466,018 and 525,000 shares of the Company's common stock under non-qualified stock option agreements in 2005 and 2004, respectively. All options granted have an exercise price equal to the fair market value at the date of grant, vest upon grant or agreed upon vesting schedules and expire five years from the date of grant. Therefore, there was no compensation expense recognized for options issued to employees during 2005 and 2004. Pursuant to SFAS No. 123, total compensation expense recognized for options issued to consultants was \$62,577 and \$68,850 during 2005 and 2004, respectively. As of March 31, 2005, 2,508,988 options at an average exercise price of \$.45 per share were outstanding under the 2002 Plan. There were no options granted subsequent to March 31, 2005. The Company had 2,491,012 options available for grant under the 2002 Plan at March 31, 2005.

The following is a summary of stock option activity during the years ended March 31, 2005 and 2004:

	2005			2004		
	Options	Weighted Average Exercise Price		Options	Weighted Average Exercise Price	
Outstanding, beginning of year	1,675,000	\$	0.59	650,000	\$	0.62
Granted	833,988		0.17	1,025,000		0.58
Exercised						
Expired/forfeited						
Outstanding, end of year	2,508,988	\$	0.45	1,675,000	\$	0.59
Exercisable, end of year	2,050,644	\$	0.44	814,164	\$	0.60
Weighted average fair value of						
options granted		\$	0.08		\$	0.31

For The Years Ended March 31, 2005 and 2004

### NOTE 10 - STOCK OPTIONS, continued

The following table summarizes information about stock options outstanding and exercisable at March 31, 2005:

		Weighted Average Remaining Contractual Life		,	Weighted Average
Exercise Price	<b>Exercise Price</b>	(Years)	Exercisable		Exercise Price
\$1.00	150,000	2.7	150,000	\$	1.00
\$0.50-\$0.75	1,715,375	3.2	1,257,031	\$	0.56
\$0.04	643,613	4.3	643,613	\$	0.04
	2,508,988		2,050,644		

The fair value of each option granted during 2005 and 2004 to employees and directors is estimated using the Black-Scholes option-pricing model on the date of grant using the following assumptions: (i) no dividend yield, (ii) average volatilities in both years of 60%, (iii) weighted-average risk-free interest rate of approximately 3.21% and 3.29%, respectively, and (iv) expected lives of five years.

# **NOTE 11 - STOCK WARRANTS**

From time to time, the Company issues warrants pursuant to various consulting agreements and other compensatory arrangements.

During the year ended March 31, 2005, the Company issued warrants to purchase 318,333 shares of the Company's common stock at an exercise price of \$0.30 per share. No warrants were exercised as of March 31, 2005. As these warrants were issued in connection with fund raising activities and considered issuance costs, no consulting expense was recognized for these warrants in the accompanying statement of operations. All of the warrants are fully vested and are exercisable from April 1, 2006 to June 16, 2006.

During the year ended March 31, 2005, the Company issued warrants to purchase 102,508 shares of the Company's common stock at an exercise price of \$0.75 per share. As these warrants were issued in connection with fund raising activities, no consulting expense was recognized for these warrants in the accompanying statement of operations. All of the warrants are fully vested and are exercisable from April 1, 2006 through June 16, 2006.

For The Years Ended March 31, 2005 and 2004

### NOTE 11 - STOCK WARRANTS, continued

During the year ended March 31, 2004, the Company issued warrants to purchase 20,000 shares of the Company's common stock at an exercise price of \$0.75 per share. All of the warrants are fully vested and are exercisable through May 7, 2006. As these warrants were issued in connection with fund raising activities and considered issuance costs, no consulting expense was recognized for these warrants in the accompanying statement of operations. No warrants were exercised as of March 31, 2005.

Certain warrants issued in conjunction with fundraising activities contain a cashless exercise provision. Under the provision, the holder of the warrant surrenders those warrants whose fair market value is sufficient to affect the exercise of the entire warrant quantity. The warrant holder then is issued shares based on the remaining net warrant and no proceeds are obtained by the Company. The surrendered warrants are cancelled by the Company in connection with this transaction.

The fair value of each warrant granted during 2005 and 2004 to consultants and other service providers is estimated using the Black-Scholes option-pricing model on the date of grant using the following assumptions: (i) no dividend yield, (ii) average volatility in both years of 60%, (iii) weighted-average risk-free interest rate of approximately 1.7% to 4% and 1.8%, respectively, and (iv) expected life of two to three years and three years, respectively.

The following represents a summary of the warrant activity for the years ended March 31, 2005 and 2004:

	200	2005			2004		
	Warrants	Weighted Average Exercise Price		Warrants	Weighted Average Exercise Price		
Outstanding, beginning of year	1,411,416	\$	0.83	1,391,416	\$	0.83	
Issued	420,841		0.41	20,000		0.75	
Exercised							
Expired/forfeited							
Outstanding and exercisable, end of year	1,832,257	\$	0.74	1,411,416	\$	0.83	
Weighted average fair value of warrants granted		\$	0.34		\$	0.15	
	F-22						

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Years Ended March 31, 2005 and 2004

### NOTE 11 - STOCK WARRANTS, continued

The following table summarizes information about warrants outstanding and exercisable at March 31, 2005:

		Weighted Average	
	Number of Warrants	Remaining	Weighted Average
Exercise Price	Outstanding and Exercisable	Contractual Life (Years)	Exercise Price
\$6.50	11,000	1.9	\$6.50
\$2.50	100,000	2.2	\$2.50
\$0.80 - \$1.00	143,750	3.3	\$0.87
\$0.50 - \$0.75	1,259,173	4.2	\$0.64
\$0.30	318,334	2.0	\$0.30
	1,832,257		

### **NOTE 12 - SUBSEQUENT EVENTS**

In June 2005, 50,000 warrants were exercised at a price of \$0.30 per share.

In June 2005, 71,592 shares were issued pursuant to a cashless warrant exercise of 82,134 warrants at \$0.30 per share.

In August 2005, the Company entered into Agency Agreements with various brokers to raise funds in a private placement offering of common stock under Regulation D. In connection with this agreement, 78,000 shares of the Company's common stock were sold to investors at a price of \$3.50 per share for gross proceeds of \$273,000 to the Company, net of issuance costs of \$32,340.

## CRYOPORT, INC.

## CONSOLIDATED BALANCE SHEET

ASSETS Current assets:	_	June 30, 2005 (Unaudited)	
Cash	\$	413,212	
Accounts receivable, net		103,444	
Inventories		157,071	
Prepaid expenses and other current assets		12,350	
Total current assets		686,077	
Fixed assets, net		95,959	
Intangible assets, net		14,455	
	\$	796,491	
LIABILITIES AND STOCKHOLDERS' DEFICIT	<u></u>		
Current liabilities:			
Accounts payable	\$	169,002	
Accrued expenses		109,213	
Accrued warranty costs		70,128	
Accrued salaries		301,187	
Current portion of related party notes payable		7,500	
Current portion of note payable		24,000	
Total current liabilities		681,030	
Related party notes payable and accrued interest payable,			
net of current portion		1,622,350	
Note payable, net of current portion		40,440	
Total liabilities		2,343,820	
Commitments and contingencies			
Stockholders' deficit:			
Common stock, \$0.001 par value; 100,000,000 shares			
authorized; 29,829,697 shares issued and outstanding		29,830	
Additional paid-in capital		4,330,565	
Accumulated deficit		(5,907,724)	
Total stockholders' deficit		(1,547,329)	
	\$	796,491	

 $See\ accompanying\ notes\ to\ unaudited\ consolidated\ financial\ statements$ 

## For The Three Months Ended

	Jun	e 30,
	2005	2004
	(Unaudited)	(Unaudited)
Net sales	\$ 122,493	\$ 66,227
Cost of sales	143,956	208,404
Gross loss	(21,463)	(142,177)
Operating expenses:		
Selling, general and administrative expenses	268,764	142,159
Research and development expenses	79,354	12,065
Total operating expenses	348,118	154,224
Loss from operations	(369,581)	(296,401)
Other expense:		
Interest expense	(21,353)	(20,810)
Loss on disposition of assets		(1,826)
Total other expense	(21,353)	(22,636)
Loss before income taxes	(390,934)	(319,037)
Income taxes		
Net loss	\$ (390,934)	\$ (319,037)
Net loss available to common stockholders per		
common share:		
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)
Basic and diluted weighted average common		
shares outstanding	29,732,491	17,541,219

See accompanying notes to unaudited consolidated financial statements

## For The Three Months Ended

		June 30,		
	2005		2004	
	(Unaudite	(d)	(Unaudited)	
Cash flows from operating activities:				
Net loss	\$ (3	90,934) \$	(319,037)	
Adjustments to reconcile net loss to net cash				
used in operating activities:				
Depreciation and amortization		22,423	23,165	
Loss on disposal of assets			1,826	
Estimated fair value of stock options issued to				
consultants		8,640	15,644	
Changes in operating assets and liabilities:				
Accounts receivable	(	(58,897)	(16,730)	
Inventories		(6,091)	31,305	
Prepaid expenses and other current assets		38,768	776	
Accounts payable		6,017	(15,688)	
Accrued expenses		5,173	8	
Accrued warranty costs		(372)	9,657	
Accrued salaries		54,756	(4,886)	
Accrued interest		20,783	20,616	
Net cash used in operating activities	(2	99,734)	(253,344)	
Cash flows used in investing activities:				
Purchases of fixed assets		(19,249)	(4,005)	
Cash flows from financing activities:				
Proceeds from borrowings under notes payable			145,000	
Repayment of notes payable		(3,000)	(614)	
Proceeds from issuance of common stock		15,000	141,000	
Net cash provided by financing activities		12,000	285,386	
Net change in cash	(3	06,983)	28,037	
Cash, beginning of period	7	20,195	6,083	
Cash, end of period	\$ 4	13,212 \$	34,120	
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Interest	\$	\$		
Income taxes	\$	800 \$		

See accompanying notes to unaudited consolidated financial statements

For The Three Months Ended June 30, 2005 and 2004

### **NOTE 1 - MANAGEMENT'S REPRESENTATION**

The consolidated financial statements included herein have been prepared by Cryoport, Inc. (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") has been omitted pursuant to such rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (consisting primarily of normal recurring accruals) considered necessary for a fair presentation have been included.

Operating results for the three months ended June 30, 2005 are not necessarily indicative of the results that may be expected for the year ending March 31, 2006. It is suggested that the consolidated financial statements be read in conjunction with the audited consolidated financial statements and related notes for the fiscal year ended March 31, 2005.

#### NOTE 2 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

The Company was originally incorporated under the name G.T.5-Limited on May 25, 1990 as a Nevada Corporation. The Company was engaged in the business of designing and building exotic body styles for automobiles compatible with the vehicle's existing chassis.

On March 15, 2005, the Company entered into a Share Exchange Agreement (the "Agreement") with Cryoport Systems, Inc. ("Cryoport Systems"), a California corporation, and its stockholders whereby the Company acquired all of the issued and outstanding shares of Cryoport Systems in exchange for 24,108,105 shares of its common stock (which represents approximately 81% of the total issued and outstanding shares of common stock following the close of the transaction). Cryoport Systems was originally formed in 1999 as a California limited liability company and was reorganized into a California corporation on December 11, 2000. Cryoport Systems was founded to capitalize on servicing the transportation needs of the growing global "biotechnology revolution". Effective March 16, 2005, the Company changed its name to Cryoport, Inc. The transaction was recorded as a reverse acquisition.

For The Three Months Ended June 30, 2005 and 2004

#### NOTE 2 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The principal focus of the Company is to develop a line of disposable (or one-way) dry cryogenic shippers for the transport of biological materials. These materials include live cell pharmaceutical products; e.g., cancer vaccines, diagnostic materials, reproductive tissues, infectious substances and other items that require continuous exposure to cryogenic temperature (less than -150°C). The Company currently manufactures a line of reusable cryogenic dry shippers. These primarily serve as vehicles for the development of the cryogenic technology that supports the disposable product development but also are essential components of the infrastructure that supports testing and research activities of the pharmaceutical and biotechnology industries. The Company's mission is to provide cost effective packaging systems for biological materials requiring, or benefiting from, a cryogenic temperature environment over an extended period of time.

#### Going Concern

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has not generated significant revenues from operations and has no assurance of any future revenues. The Company incurred a net loss of \$390,934 during the three-month period ended June 30, 2005 and had a cash balance of \$413,212 at June 30, 2005. In addition, at June 30, 2005, the Company's accumulated deficit was \$5,907,724 and the Company had working capital of \$5,047. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The Company's management recognizes that the Company must obtain additional capital for the eventual achievement of sustained profitable operations. Management's plans include obtaining additional capital through equity funding sources. However, no assurance can be given that additional capital, if needed will be available when required or upon terms acceptable to the Company or that the company will be successful in its efforts to negotiate the extension of its existing debt. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

#### Principles of Consolidation

The consolidated financial statements include the accounts of Cryoport, Inc. and its wholly owned subsidiary, Cryoport Systems, Inc. All intercompany accounts and transactions have been eliminated.

For The Three Months Ended June 30, 2005 and 2004

### NOTE 2 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from estimated amounts. The Company's significant estimates include allowances for doubtful accounts and sales returns, recoverability of long-lived assets, allowances for inventory obsolescence, accrued warranty costs, deferred tax assets and their accompanying valuations and product liability reserves.

### Concentrations of Credit Risk

#### Cash

The Company maintains its cash accounts in financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$100,000. At June 30, 2005, the Company had approximately \$370,000 of balances which were in excess of the FDIC insurance limit. The Company performs ongoing evaluations of these institutions to limit its concentration risk exposure.

#### Customers

The Company grants credit to customers within the United States of America and to a limited number of international customers, and does not require collateral. Sales to other international customers are secured by advance payments, letters of credit, or cash against documents. The company's ability to collect receivables is affected by economic fluctuations in the geographic areas and industries served by the Company. Reserves for uncollectible amounts are provided based on past experience and a specific analysis of the accounts which management believes are sufficient. Although the Company expects to collect amounts due, actual collections may differ from the estimated amounts.

The Company has foreign sales primarily in Europe, Latin America and Canada. Foreign sales are primarily under exclusive distribution agreements with international distributors. During the three month periods ended June 30, 2005 and 2004, the Company had foreign sales of approximately \$45,000 and \$24,000 which constituted approximately 37% and 36%, respectively, of net sales.

For The Three Months Ended June 30, 2005 and 2004

### NOTE 2 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The majority of the Company's customers are in the Bio-tech and animal breeding industries. Consequently, there is a concentration of receivables within these industries, which is subject to normal credit risk.

### Fair Value of Financial Instruments

The Company's consolidated financial instruments consist of cash, accounts receivable, related party notes payable, payables, accrued expenses and a note payable to a third party. The carrying value for all such instruments, except the related party notes payable, approximates fair value at June 30, 2005. The fair value of related party notes payable is not determinable as the transactions are with related parties.

### Inventories

Inventories are stated at the lower of standard cost or current estimated market value. Cost is determined using the first-in, first-out method. The Company periodically reviews its inventories and records a provision for excess and obsolete inventories based primarily on the Company's estimated forecast of product demand and production requirements. Once established, write-downs of inventories are considered permanent adjustments to the cost basis of the obsolete or excess inventories. Work in process and finished goods include material, labor and applied overhead. Inventories at June 30, 2005 consist of the following:

Raw materials	\$ 119,979
Work in process	21,582
Finished goods	15,510
	\$ 157,071

#### Fixed Assets

Depreciation and amortization of fixed assets are provided using the straight-line method over the following useful lives:

Furniture and fixtures	7 years
Machinery and equipment	5-7 years
Leasehold improvements	Lesser of lease term or estimated useful life

For The Three Months Ended June 30, 2005 and 2004

#### NOTE 2 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Betterments, renewals and extraordinary repairs that extend the lives of the assets are capitalized; other repairs and maintenance charges are expensed as incurred. The cost and related accumulated depreciation applicable to assets retired are removed from the accounts, and the gain or loss on disposition is recognized in current operations.

### Intangible Assets

Patents and Trademarks

Patents and trademarks are amortized, using the straight-line method, over their estimated useful life of five years.

#### Long-Lived Assets

The Company's management assesses the recoverability of its long-lived assets upon the occurrence of a triggering event by determining whether the depreciation and amortization of long-lived assets over their remaining lives can be recovered through projected undiscounted future cash flows. The amount of long-lived asset impairment, if any, is measured based on fair value and is charged to operations in the period in which long-lived asset impairment is determined by management. At June 30, 2005, the Company's management believes there is no impairment of its long-lived assets. There can be no assurance however, that market conditions will not change or demand for the Company's products will continue, which could result in impairment of its long-lived assets in the future.

### Accrued Warranty Costs

Estimated costs of the standard warranty, included with products at no additional cost to the customer for a period up to one year, are recorded as accrued warranty costs at the time of product sale. Costs related to servicing the extended warranty plan are expensed as incurred.

The following represents the activity in the warranty accrual account during the three month period ended June 30:

	 2005	 2004
Beginning warranty accrual	\$ 70,500	\$ 31,875
Increase in accrual (charged to cost of sales)	11,250	9,675
Charges to accrual (product replacements)	(11,622)	
Ending warranty accrual	\$ 70,128	\$ 41,550

For The Three Months Ended June 30, 2005 and 2004

### NOTE 2 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

### Revenue Recognition

Revenue is recognized in accordance with Staff Accounting Bulletin ("SAB") No. 101, Revenue Recognition in Financial Statements, as revised by SAB 104. The Company recognizes revenue when products are shipped to a customer and the risks and rewards of ownership and title have passed based on the terms of the sale. The Company records a provision for sales returns and claims based upon historical experience. Actual returns and claims in any future period may differ from the Company's estimates.

### Accounting for Shipping and Handling Revenue, Fees and Costs

The Company classifies amounts billed for shipping and handling as revenue in accordance with EITF 00-10, Accounting for Shipping and Handling Fees and Costs. Shipping and handling fees and costs are included in cost of sales.

### **Advertising Costs**

The Company expenses the cost of advertising when incurred as a component of selling, general and administrative expenses. During the three month periods ended June 30, 2005 and 2004, the Company expensed approximately \$5,600 and \$4,800, respectively, in advertising costs.

### Research and Development Expenses

The company expenses internal research and development costs as incurred. Third party research and development costs are expensed when the contracted work has been performed.

#### Stock-Based Compensation

The Company accounts for equity instruments issued to non-employees in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, Accounting for Stock-Based Compensation, and Emerging Issue Task Force ("EITF") Issue No. 96-18, Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling Goods or Services. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the third-party performance is complete or the date on which it is probable that performance will occur.

For The Three Months Ended June 30, 2005 and 2004

For The Three Months Ended

### NOTE 2 - OGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

SFAS No. 123 allows an entity to continue to measure compensation cost related to stock and stock options issued to employees using the intrinsic method accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees. Under APB 25, compensation cost, if any, is recognized over the respective vesting period based on the difference, on the date of grant, between the fair value of the Company's common stock and the grant price. Entities electing to remain with the accounting method of APB 25 must make pro forma disclosures of net income and earnings per share, as if the fair value method of accounting defined in SFAS No. 123 had been applied.

The Company has a stock-based employee compensation plan. The Company will account for employee options granted under this plan under the recognition and measurement principles of APB 25, and related interpretations. No stock-based employee compensation cost is reflected in the consolidated statements of operations, as all employee options granted or vesting during the three month periods ended June 30, 2005 and 2004 were issued at or above the fair market value of the Company's common stock on the date of grant. The following table illustrates the effect on net loss and loss per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation.

		June 30,		
	2005		2004	
Net loss as reported	\$ (	390,934) \$	(319,037)	
Deduct:				
Total stock-based employee compensation under				
fair value based method for all awards, net				
of related tax effects		(2,667)	(8,992)	
Pro forma net loss	\$ (	393,601) \$	(328,029)	
Basic and diluted loss per share - as reported	\$	(0.01) \$	(0.02)	
Basic and diluted loss per share - pro forma	\$	(0.01) \$	(0.02)	

For The Three Months Ended June 30, 2005 and 2004

# NOTE 2 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, Accounting for Income Taxes. Under the asset and liability method of SFAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SFAS No. 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. The Company is a subchapter "C" corporation and files a federal income tax return. The Company files separate state income tax returns for California and Nevada.

#### Basic and Diluted Loss Per Share

The Company has adopted SFAS No. 128, Earnings Per Share (see Note 9).

Basic loss per common share is computed based on the weighted average number of shares outstanding for the period. Diluted loss per share is computed by dividing net loss by the weighted average shares outstanding assuming all dilutive potential common shares were issued. Basic and diluted loss per share is the same as the effect of stock options and warrants on loss per share are anti-dilutive and thus not included in the diluted loss per share calculation. The impact under the treasury stock method of dilutive convertible debt and stock options and warrants would have resulted in an increase of 1,276,389 and 166,319 shares for the periods ended June 30, 2005 and 2004, respectively.

### Recent Accounting Pronouncements

In November 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 151, *Inventory Costs, an amendment of ARB No. 43, Chapter 4.* The amendments made by SFAS No. 151 clarify that abnormal amounts of facility expense, freight, handling costs, and wasted materials (spoilage) should be recognized as current-period charges and require the allocation of fixed production overheads to inventory based on the normal capacity of the production facilities. The guidance is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. Earlier application is permitted for inventory costs incurred during fiscal years beginning after November 23, 2004. The Company is in the process of evaluating whether the adoption of SFAS No. 151 will have a significant impact on the Company's overall results of operations or financial position.

For The Three Months Ended June 30, 2005 and 2004

#### NOTE 2 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

In December 2004, the FASB issued SFAS No. 123 (revised 2004), Share-Based Payment ("Statement 123(R)") to provide investors and other users of financial statements with more complete and neutral financial information by requiring that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. Statement 123(R) covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. Statement 123(R) replaces SFAS No. 123 and supersedes APB 25. The Company will be required to apply Statement 123(R) in 2006. The Company is in the process of evaluating whether the adoption of Statement 123(R) will have a significant impact on the Company's overall results of operations or financial position.

In December 2004, the FASB issued SFAS No. 153, Exchange of Nonmonetary Assets - an amendment of APB Opinion No 29, Accounting for Nonmonetary Transactions. SFAS No. 153 eliminates the exception for non-monetary exchanges of similar productive assets, which were previously required to be recorded on a carryover basis rather than a fair value basis. Instead, this statement provides that exchanges of non-monetary assets that do not have commercial substance be reported at carryover basis rather than a fair value basis. A non-monetary exchange is considered to have commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provisions of this statement are effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not expect the adoption of SFAS No. 153 to have an impact on its financial condition or results of operations.

#### **NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2005 is net of reserves for doubtful accounts and sales returns of approximately \$5,000.

### **NOTE 4 - FIXED ASSETS**

Fixed assets consist of the following at June 30, 2005:

Furniture and fixtures	\$ 22,982
Machinery and equipment	415,658
Leasehold improvements	 14,653
	453,293
Less accumulated depreciation and amortization	 (357,334)
	\$ 95,959

For The Three Months Ended June 30, 2005 and 2004

#### NOTE 4 - FIXED ASSETS, continued

Depreciation and amortization expense for fixed assets for the three month periods ended June 30, 2005 and 2004 was \$20,230 and \$20,852, respectively.

### **NOTE 5 - INTANGIBLE ASSETS**

Intangible assets consist of the following at June 30, 2005:

Assets subject to amortization:

Patents and trademarks	\$ 46,268
Less accumulated amortization	 (31,813)
	\$ 14,455

Amortization expense for intangible assets for the three month periods ended June 30, 2005 and 2004 was \$2,193 and \$2,313, respectively. All of the Company's intangible assets are subject to amortization.

### **NOTE 6 - COMMITMENTS AND CONTINGENCIES**

### Litigation

The Company becomes a party to product litigation in the normal course of business. The Company accrues for open claims based on its historical experience and available insurance coverage. In the opinion of management, there are no legal matters involving the Company that would have a material adverse effect upon the Company's condition or results of operations.

### Indemnities and Guarantees

The Company has made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain actions or transactions. The Company indemnifies its directors, officers, employees and agents, as permitted under the laws of the States of California and Nevada. In connection with its facility leases, the Company has indemnified its lessor for certain claims arising from the use of the facilities. Additionally, the Company indemnifies a financial institution under the line of credit agreement against certain claims as a result of the violation of any law. In connection with its business acquisitions, the Company has indemnified the sellers for certain claims arising from the failure of the Company to perform any of its representation or obligations under the agreements. The duration of the guarantees and indemnities varies, and is generally tied to the life of the agreement. These guarantees and indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated nor incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities and guarantees in the accompanying consolidated balance sheet.

For The Three Months Ended June 30, 2005 and 2004

### **NOTE 7 - NOTES PAYABLE**

The Company has a non-interest bearing note payable to a third party for \$77,304, which was due in April 2003. The Company is currently making monthly payments of \$2,000 as agreed with the lender. As of June 30, 2005, the remaining unpaid balance was \$64,440.

As of June 30, 2005, the Company had \$1,369,500 in outstanding unsecured indebtedness owed to five related parties including current and former board of directors representing working capital advances made to the Company from February 2001 through March 2005. These notes bear interest at the rate of 6% per annum and provide for total monthly principal payments of \$2,500, which increase by \$2,500 every six months to a maximum of \$10,000 beginning April 1, 2006. Any remaining unpaid principal and accrued interest is due at maturity on various dates through March 1, 2015.

Related party interest expense under these notes was \$20,783 and \$20,616 for the three months ended June 30, 2005 and 2004, respectively. Accrued interest, which is included in notes payable in the accompanying consolidated balance sheet, related to these notes amounted to \$260,350 as of June 30, 2005.

### **NOTE 8 - EQUITY**

In June 2005, 50,000 warrants were exercised at a price of \$0.30 per share.

In June 2005, 71,592 shares were issued pursuant to a cashless warrant exercise of 82,134 warrants.

During the three months ended June 30, 2005 and 2004, compensation expense from the vesting of options issued to non-employees totaled \$8,640 and \$15,644, respectively, and has been included in selling, general and administrative expenses in the accompanying consolidated statements of operations.

For The Three Months Ended June 30, 2005 and 2004

### **NOTE 9 - LOSS PER SHARE**

The following is a reconciliation of the numerators and denominators of the basic and diluted loss per share computations for the three month periods ended June 30:

	2005	2004
Numerator for basic and diluted earnings per share:	_	
Net loss available to common stockholders	\$ (390,934)	\$ (319,037)
Denominator for basic and diluted loss per common		
share:		
Weighted average common shares outstanding	29,732,491	17,541,219
Net loss per common share available to common		
stockholder	\$ (0.01)	\$ (0.02)

### NOTE 10 - SUBSEQUENT EVENTS

In August 2005, the Company entered into Agency Agreements with various brokers to raise funds in a private placement offering of common stock under Regulation D. In connection with this agreement, 78,000 shares of the Company's common stock were sold to investors at a price of \$3.50 per share for gross proceeds of \$273,000 to the Company, net of issuance costs of \$32,340.

## **SIGNATURES**

In accordance with Section 12 of the Securities Exchange Act of 1934, the registrant caused this registration statement to be signed on its behalf by the undersigned, there authorized.	unto duly

CryoPort Systems, Inc. (Registrant)

Date: October 18, 2005 By: /s/ PETER BERRY

Peter Berry, CEO and President

## PART III

## ITEM 1. INDEX TO EXHIBITS

Exhibit No.	<u>Description</u>	Page or Method of Filing			
3.1	State of Nevada Corporate Charter for G.T. 5- Limited	Filed Herewith			
3.2	Articles of Incorporation Of G.T 5-Limited	Filed Herewith			
3.3	Amendment to Articles of Incorporation of G T. 5-Limited issue 100M shares	Filed Herewith			
3.4	Amendment of Articles of Incorporation of G.T.5-Limited name change to CryoPort, Inc	Filed Herewith			
3.5	Amended and Restated By-Laws Of CryoPort, Inc.	Filed Herewith			
3.6	Articles of Incorporation CryoPort Systems, Inc.  Filed Herewith				
3.7	By-Laws of CryoPort Systems, Inc.	Filed Herewith			
3.8	CryoPort, Inc. Stock Certificate Specimen	Filed Herewith			
3.9	Code of Conduct for CryoPort, Inc.	Filed Herewith			
3.10	Code of Ethics for Senior Officers	Filed Herewith			
3.11	Statement of Policy on Insider Trading	Filed Herewith			
3.12	CryoPort, Inc. Audit Committee Charter	Filed Herewith			
3.13	CryoPort Systems, Inc. 2002 Stock Incentive Plan	Filed Herewith			
3.14	Stock Option Agreement ISO - Specimen	Filed Herewith			
3.15	Stock Option Agreement NSO -Specimen	Filed Herewith			
3.16	Warrant Agreement - Specimen	Filed Herewith			
3.17	Patents and Trademarks				
3.17.1	CryoPort Systems, Inc. Patent #6,467,642	Systems, Inc. Patent #6,467,642 On File with Company			
3.17.2	CryoPort Systems, Inc. Patent #6,119,465	On File with Company			

3.17.3	CryoPort Systems, Inc. Patent #6,539,726	On File with Company			
3.17.4	CryoPort Systems, Inc. Trademark #7,583,478,7	On File with Company			
3.17.5	CryoPort Systems, Inc. Trademark #7,586,797,8	On File with Company			
10.1	Contracts				
10.1.1	Stock Exchange Agreement associated with the merger of G.T.5-Limited and CryoPort Systems, Inc. dated 03/05/01.	Filed Herewith			
10.1.2	Commercial Promissory Notes between CryoPort, Inc. and D. Petreccia	Filed Herewith			
10.1.3	Commercial Promissory Notes between CryoPort, Inc. and J. Dell	Filed Herewith			
10.1.4	Commercial Promissory Notes between CryoPort, Inc. and M. Grossman	Filed Herewith			
10.1.5	Commercial Promissory Notes between CryoPort, Inc. and P. Mullens	Filed Herewith			
10.1.6	Commercial Promissory Notes between CryoPort, Inc. and R. Takahashi	Filed Herewith			
10.1.7	Lease Agreement between CryoPort Systems, Inc. and Brea Hospital Properties, LLC.	Filed Herewith			

ITEM 2.	DESCRIPTION OF EXHBITS
3.1	Corporate Charter for G.T.5-Limited issued by the State of Nevada on March 15, 2005.
3.2	Articles of Incorporation for G.T.5-Limited filed with the State of Nevada in May 25, 1990.
3.3.	Amendment to Articles of Incorporation of G.T.5-Limited increasing the authorized shares from 5,000,000 to 100,000,000 shares filed with the State of Nevada on October 12, 2004.
3.4	Amendment to Articles of Incorporation changing the name of the corporation from G.T.5-Limited to CryoPort, Inc. filed with the State of Nevada on March 16, 2005.
3.5	Amended and Restated By-Laws of CryoPort, Inc. adopted by the Board of Directors on June 22, 2005.
3.6	Articles of Incorporation of CryoPort Systems, Inc. filed with the State of California on December 11, 2000, including Corporate Charter for CryoPort Systems, Inc. issued by the State of California on December 13, 2000.
3.7	By-Laws of CryoPort Systems, Inc. adopted by the Board of Directors on December 11, 2000.
3.8	CryoPort Systems, Inc. Stock Certificate Specimen.
3.9	Code of Conduct for CryoPort, Inc. pending adoption by Board of Directors.
3.10	Code of Ethics for Senior Officers of CryoPort, Inc. and subsidiaries pending adoption by Board of Directors.
3.11	Statement of Policy on Insider Trading pending adoption by Board of Directors.
3.12.	CryoPort, Inc. Audit Committee Charter, under which the Audit Committee will operate, adopted by the Board of Directors on August 19, 2005.
3.13	CryoPort Systems, Inc. 2002 Stock incentive Plan adopted by the Board of Directors on October 1, 2002.
3.14	Stock Option Agreement ISO - Specimen adopted by the Board of Directors on October 1, 2002.
	54

3.15	Stock Option Agreement NSO - Specimen adopted by Board of Directors on October 1, 2002.
3.16	Warrant Agreement - Specimen adopted by the Board of Directors on October 1, 2002.
3.17	Patents and Trademarks
3.17.1	CryoPort Systems, Inc. Patent #6,467,642 information sheet and Assignment to CryoPort Systems, Inc. document.
3.17.2	CryoPort Systems, Inc. Patent #6,119,465 information sheet and Assignment to CryoPort Systems, Inc. document.
3.17.3	CryoPort Systems, Inc. Patent #6,539,726 information sheet and Assignment to CryoPort Systems, Inc. document.
3.17.4	CryoPort Systems, Inc. Trademark #7,583,478,7 information sheet and Assignment to CryoPort Systems, Inc.document.
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10.1.2	Commercial Promissory Note between CryoPort, Inc. and D. Petreccia executed on August 26, 2005.
10.1.3	Commercial Promissory Note between CryoPort, Inc. and J. Dell executed on September 1, 2005.
10.1.4	Commercial Promissory Note between CryoPort, Inc. and M. Grossman executed on August 25, 2005.
10.1.5	Commercial Promissory Note between CryoPort, Inc. and P. Mullens executed on September 2, 2005.
10.1.6	Commercial Promissory Note between CryoPort, Inc. and R. Takahashi executed on August 25, 2005.
10.1.7	Lease Agreement between CryoPort Systems, Inc. and Brea Hospital Properties, LLC, executed on March 11, 2005.
	55

DEAN HELLER

RENEE L. PARKER Chief Deputy Secretary of State

PAMELA RUCKEL Deputy Secretary for Southern Nevada

STATE OF NEVADA



OFFICE OF THE SECRETARY OF STATE

CHARLES E. MOORE

SOOTT W. AND ERSON Deputy Secretary for Commercial Recordings

ELLICK HSU Deputy Secretary for Elections

Certified Copy

March 15, 2005

Job Number: C20050315-0539 Reference Number: 00000065415-71 Expedite: Through Date:

The undersigned filing officer hereby certifies that the attached copies are true and exact copies of all requested statements and related subsequent documentation filed with the Secretary of State's Office, Commercial Recordings Division listed on the attached report.

Number of Pages 4 Pages/1 Copies

Document Number(s) Description
C4643-1990-001 Articles of Incorporation

Respectfully,

DEAN HELLER

Commercial Recording Division 200 N. Carson Street Carson City, Nevada 89701-4069 Telephone (775) 684-5708 Fax (775) 684-5630

FILED

IN THE OFFICE OF THE

SECRETARY OF STATE OF THE

STATE OF NEVADA

FILING FEE: \$125.00 K.K.
R/BEIPT #C 52443
DONALD C. BRADLEY
1050 WHITNEY RANCH #1322
HENDERSON, NEVADA 89014

ARTICLES OF INCORPORATION OF

MAY 25 1990

4643-90

G. T. S-LIMITED

We, the undersigned natural persons of the age of 21 years or more acting as incorporators of a corporation under the Nevada Business Corporation Act, adopt the following Articles of Incorporation for such a corporation.

#### ARTICLE I

The name of the corporation hereby formed shall be  $\mathbf{G}.$  T. 5-LIMITED.

### ARTICLE II

The period of its duration shall be perpetual.

#### ARTICLE III

The purposes for which the corporation is organized are to engage primarily in any type of manufacturing and/or marketing of automotive or, automotive related products. To engage in any business, investment or other pursuit or activity, whether retail or wholesale, whether commercial or industrial and to perform any and all other lawful acts or purposes as are or may be granted to corporate entities under the laws of the State of Nevada and by any other state or foreign country. The corporation may conduct its business anywhere within the States of the United

States or in any foreign country, without in any way limiting the foregoing powers. It is hereby provided that the corporation shall have the power to do any and all acts and things that may be reasonably necessary or appropriate to accomplish any of the foregoing purposes for which the corporation is formed.

### ARTICLE IV

The aggregate number of shares which the corporation shall have the authority to issue is 5,000,000 shares of common stock at par value of \$0.001 per share, or a total capitalization of \$5,000.00.

There shall be no cumulative voting, and all pre-emptive rights are denied. Each share shall entitle the holder thereof to one vote at all meetings of the stockholders.

Stockholders shall not be liable to the corporation or its ereditors for any debts or obligations of the corporation.

### ARTICLE V

The corporation shall not commence business until at least \$1,000.00 has been received by it as consideration for the issuance of shares.

### ARTICLE X

The name and address of the sole incorporator is: Donald C. Bradley 1050 Whitney Ranch, Suite 1322 Henderson, Nevada 89014

DONALD C. BRADLEY

INCORPORATOR

STATE OF UTAH COUNTY OF SAIT LAKE ;

On April 1990, personally appeared before me, Donald C. Bradley, who being duly sworn by me first, declared that he had read the foregoing Articles of Incorporation, that he had signed the foregoing document as an incorporator and that the statements contained therein are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this day of April, 1990.

My Commission Expires:









DEAN HELLER Secretary of State 204 North Carson Street, Suite 1 Carson City, Nevada 89701-4299 (776) 684 6708 site: secretaryofstate.biz

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Certificate of Amendment

(PURSUANT TO NRS 78.385 and 78.390)

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OCT 1 2 2004

Denn Holler Secretary of Clafe

nt- Read attached instructions before completing form.

ABOVE SPACE IS FOR OFFICE USE ONLY

### Certificate of Amendment to Articles of Incorporation For Nevada Profit Corporations

(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

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G.T. 5-Limited

2. The articles have been amended as follows (provide article numbers, if available):

Article IV is to read as follows:

The aggregate number of shares the corporation shall have the authority to issue is 100,000,000 (One Hundred Million) shares of common stock at a par value of .001 per share, or a total capitalization of \$100,000.

There shall be no cumulative voting, and all pre-emptive rights are denied. Each share shall entitle the holder thereof to one vote at all meetings of the stockholders,

Stockholders shall not be liable to the corporation or its creditors for any debts or obligations of the corporation.

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the \* articles of incorporation have voted in favor of the amendment is: 62%

4. Effective date of filing (optional):

5. Officer Signature (required):

"If any proposed amendment would after or classified any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the diffirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless of limitations or restrictions on the voting power thereof.

IMPORTANT: Failure to include any of the above information and submit the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees. See attached fee schedule.

Nevada Secretary of State AM 78,385 Amend 2003 Revised on: 11/03/03

10/12/2004 3:32:53 PM \$1,585.90 HD C20041012-0466



# Certificate of Amendment (PURSUANT TO NRS 78.385 and 78.360)

Entity # C4643-1990 Document Number 20050066278-46

Date Filed: 3/16/2005 4:37:19 PM In the office of

to Hille

Dean Heller Secretary of State

important: Reed electred instructions before completing form.

# Certificate of Amendment to Articles of Incorporation For Nevade Profit Corporations

(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

- 1. Name of corporation:
- G.T. 5-Limited
- 2. The articles have been amended as follows (provide article numbers, if available):

ARTICLE I
The name of the corporation shall be CryePort, Inc.

3. The vote by which the stackholders holding shares in the corporation entitting them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation have voted in favor of the amendment is:

4. Effective date of filing (optional):

5. Officer Signature (required):

"If any proposed amendment would after or change any preference or any relative or other right given to any deuts or series of outstanding shares, then the emendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or suries affected by the emendment requesties of Emissions or restrictions on the voting power thanset.

IMPORTANT: Failure to include any of the above information and submit the proper less may cause this filing to be rejected.

This form must be accompanied by appropriate feet. See attached two achestus,

House Section by State ANT S. No. on any 2010.

#### AMENDED AND RESTATED BYLAWS OF CRYPORT, INC.

#### ARTICLE 1

#### OFFICES

#### 1.1 BUSINESS OFFICE

The principal business office ("principal office") of the corporation shall be located at any place either inside or outside the State of Nevada as designated in the corporation's most current Annual Report filed with the Nevada Secretary of State. The corporation may have such other offices, either inside or outside the State of Nevada, as the Board of Directors may designate or as the business of the corporation may require from time to time.

#### 1.2 REGISTERED OFFICE

The registered office of the corporation shall be located within Nevada and may be, but need not be, identical with the principal office, provided the principal office is located within Nevada. The address of the registered office may be changed from time to time by the Board of Directors.

#### ARTICLE 2

### SHAREHOLDERS

### 2.1 ANNUAL SHAREHOLDER MEETING

The annual meeting of the shareholders shall be held each year at a date and time fixed by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Nevada, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the shareholders, or at any subsequent continuation after adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as convenient.

#### 2.2 SPECIAL SHAREHOLDER MEETINGS

Special meetings of the shareholders, for any purpose or purposes described in the notice of meeting, may be called by the president, or by the Board of Directors, and shall be called by the president at the request of the holders of not less than one-tenth of all outstanding shares of the corporation entitled to vote on any issue at the meeting.

1

#### 2.3 PLACE OF SHAREHOLDER MEETINGS

The Board of Directors may designate any place, either inside or outside the State of Nevada, as the place for any annual or any special meeting of the shareholders, unless by written consent, which may be in the form of waivers of notice or otherwise, all shareholders entitled to vote at the meeting designate a different place, either inside or outside the State of Nevada, as the place for the holding of such meeting. If no designation is made by either the Board of Directors or unanimous action of the voting shareholders, the place of meeting shall be the principal office of the corporation in the State of Nevada.

#### 2.4 NOTICE OF SHAREHOLDER MEETING

- (a) REQUIRED NOTICE. Written notice stating the place, day and hour of any annual or special shareholder meeting shall be delivered not less than 10 nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the president, the Board of Directors, or other persons calling the meeting, to each shareholder of record entitled to vote at such meeting and to any other shareholder entitled by the laws of the State of Nevada governing corporations (the "Act") or the Articles of Incorporation ("Articles") to receive notice of the meeting. Notice shall be deemed to be effective at the earlier of:

  (1) when deposited in the United States mail, addressed to the shareholder at his/her/its address as it appears on the stock transfer books of the corporation, with postage thereon prepaid; (2) on the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; (3) when received; or (4) 5 days after deposit in the United States mail, if mailed postpaid and correctly addressed to an address, provided in writing by the shareholder, which is different from that shown in the corporation's current record of shareholders.
- (b) ADJOURNED MEETING. If any shareholder meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, and place is fan announced at the meeting before adjournment. But if a new record date for the adjourned meeting is, or must be fixed (see Section 2.5 of this Article 2) then notice must be given pursuant to the requirements of paragraph (a) of this Section 2.4, to those persons who are shareholders as of the new record date.
- (c) WAIVER OF NOTICE. A shareholder may waive notice of the meeting (or any notice required by the Act, Articles of Incorporation, or Bylaws), by a writing signed by the shareholder entitled to the notice, which is delivered to the corporation (either before or after the date and time stated in the notice) for inclusion in the minutes of filing with the corporate records.

A shareholder's attendance at a meeting:

 (i) waives objection to lack of notice or defective notice of the meeting unless the shareholder, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting; and

- (ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder object to consideration of the matter when it is presented.
- (d) CONTENTS OF NOTICE. The notice of each special shareholder meeting shall include a description of the purpose or purposes for which the meeting is called. Except as provided in this Section 2.4(d), or as provided in the corporation's Articles, or otherwise in the Act, the notice of an annual shareholder meeting need not include a description of the purpose or purposes for which the meeting is called.

If a purpose of any shareholder meeting is to consider either: (1) a proposed amendment to the Articles of Incorporation (including any restated articles requiring shareholder approval); (2) a plan of merger or share exchange; (3) the sale, lease, exchange or other disposition of all, or substantially all of the corporation's property; (4) the dissolution of the corporation; or (5) the removal of a director, the notice must so state and be accompanied by, respectively, a copy or summary of the: (a) articles of amendment; (b) plan of merger or share exchange; and (c) transaction for disposition of all, or substantially all, of the corporation's property. If the proposed corporate action creates dissenters' rights, as provided in the Act, the notice must state that shareholders are, or may be entitled to assert dissenters' rights, and must be accompanied by a copy of relevant provisions of the Act. If the corporation issues, or authorizes the issuance of shares for promissory notes or for promises to render services in the future, the corporation shall report in writing to all the shareholders the number of shares authorized or issued, and the consideration received with or before the notice of the next shareholder meeting. Likewise, if the corporation indemnifies or advances expenses to an officer or a director, this shall be reported to all the shareholders with or before notice of the next shareholder meeting.

#### 2.5 FIXING OF RECORD DATE

For the purpose of determining shareholders of any voting group entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any distribution or dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date. Such record date shall not be more than 70 days prior to the date on which the particular action requiring such determination of shareholders entitled to notice of, or to vote at a meeting of shareholders, or shareholders entitled to receive a share dividend or distribution. The record date for determination of such shareholders shall be at the close of business on:

- (a) With respect to an annual shareholder meeting or any special shareholder meeting called by the Board of Directors or any person specifically authorized by the Board of Directors or these Bylaws to call a meeting, the day before the first notice is given to shareholders:
- (b) With respect to a special shareholder meeting demanded by the shareholders, the date the first shareholder signs the demand;
- (e) With respect to the payment of a share dividend, the date the Board of Directors authorizes the share dividend;

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- (d) With respect to actions taken in writing without a meeting pursuant to Article 2, Section 2.12), the first date any shareholder signs a consent; and
- (e) With respect to a distribution to shareholders, (other than one involving a repurchase or reacquisition of shares), the date the Board of Directors authorizes the distribution. When a determination of shareholders entitled to vote at any meeting of shareholders has been made, as provided in this section, such determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting. If no record date has been fixed, the record date shall be the date the written notice of the meeting is given to shareholders.

#### 2.6 SHAREHOLDER LIST

The officer or agent having charge of the stock transfer books for shares of the corporation shall, at least ten (10) days before each meeting of shareholders, make a complete record of the shareholders entitled to vote at each meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each. The list must be arranged by class or series of shares. The shareholder list must be available for inspection by any shareholder, beginning two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting. The list shall be available at the corporation's principal office or at a place in the city where the meeting is to be held, as set forth in the notice of meeting. A shareholder, his/her/its agent or attorney, is entitled, on written demand, to inspect and, subject to the requirements of Section 2.14 of this Article 2, to copy the list during regular business hours and at his/her/its expense, during the period it is available for inspection. The corporation shall maintain the shareholder list in written form or in another form capable of conversion into written form within a reasonable time.

#### 2.7 SHAREHOLDER QUORUM AND VOTING REQUIREMENTS

A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting; unless a new record date is or must be set for that adjourned meeting. If a quorum exists, a majority vote of those shares present and voting at a duly organized meeting shall suffice to defeat or enact any proposal unless the Statutes of the State of Nevada, the Articles of Incorporation or these Bylaws require a greater-than-majority vote, in which event the higher vote shall be required for the action to constitute the action of the corporation.

### 2.8 INCREASING EITHER QUORUM OR VOTING REQUIREMENTS

For purposes of this Section 2.8, a "supermajority" quorum is a requirement that more than a majority of the votes of the voting group be present to constitute a quorum; and a "supermajority" voting requirement is any requirement that requires the vote of more than a majority of the affirmative votes of a voting group at a meeting.

The shareholders, but only if specifically authorized to do so by the Articles of Incorporation, may adopt, amend, or delete a Bylaw which fixes a "supermajority" quorum or "supermajority" voting requirement. The adoption or amendment of a Bylaw that adds, changes, or deletes a "supermajority" quorum or voting requirement for shareholders must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then if effect or proposed to be adopted, whichever is greater.

A Bylaw that fixes a supermajority quorum or voting requirement for shareholders may not be adopted, amended, or repealed by the Board of Directors.

#### 2.9 PROXIES

At all meetings of shareholders, a shareholder may vote in person, or vote by written proxy executed in writing by the shareholder or executed by his/her/fits duly authorized attorney-in fact. Such proxy shall be filed with the secretary of the corporation or other person authorized to tabulate votes before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise specifically provided in the proxy or coupled with an interest.

#### 2.10 VOTING OF SHARES

Unless otherwise provided in the articles, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders. Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without the transfer of such shares into his/her/its name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but trustee shall be entitled to vote shares held by him without transfer of such shares into his/her/its name. Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver expect thereof into his/her/its name. If authority to do so is contained in an appropriate order of the Court by which such receiver was appointed. A shareholder whose shares are pledged shall be entitled to vote such shares until the shares are transferred into the name of the pledgee, and thereafter, the pledgee shall be entitled to vote the shares so transferred. Shares of its own stock belonging to the corporation or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time. Redeemable shares are not entitled to vote after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares.

### 2.11 CORPORATION'S ACCEPTANCE OF VOTES

- (a) If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a shareholder, the corporation, if acting in good faith, is entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder.
- (b) If the name signed on a vote, consent, waiver, or proxy appointment does not correspond to the name of its shareholder, the corporation, if acting in good faith, is nevertheless entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder if:
- the shareholder is an entity, as defined in the Act, and the name signed purports to be that of an officer or agent of the entity;
- (ii) the name signed purports to be that of an administrator, executor, guardian or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment;
- (iii) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of his/her/its status acceptable to the corporation has been presented with respect to the vote, consent, waiver or proxy appointment;
- (iv) the name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder has been presented with respect to the vote, consent, waiver, or proxy appointment; or
- (v) the shares are held in the name of two or more persons as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all the co-owners.
- (vi) The corporation is entitled to reject a vote, consent, waiver, or proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.
- (vii) The corporation and its officer or agent who accepts or rejects a vote, consent, waiver, or proxy appointment in good faith and in accordance with the standards of this Section 2.11 are not liable in damages to the shareholder for the consequences of the acceptance or rejection.
- (viii) Corporation action based on the acceptance or rejection of a vote, consent, waiver, or proxy appointment under this section is valid unless a court of competent jurisdiction determines otherwise.

### 2.12 INFORMAL ACTION BY SHAREHOLDERS

Any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting if one or more written consents, setting forth the action so taken, shall be signed by shareholders holding a majority of the shares entitled to vote with respect to the subject matter thereof, unless a "supermajority" vote is required by these Bylaws, in which case a "supermajority" vote will be required. Such consent shall be delivered to the corporation secretary for inclusion in the minute book. A consent signed under this Section has the effect of a vote at a meeting and may be described as such in any document.

#### 2.13 VOTING FOR DIRECTORS

Unless otherwise provided in the Articles of Incorporation, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present.

### ARTICLE 3

#### BOARD OF DIRECTORS

#### 3.1 GENERAL POWERS

Unless the Articles of Incorporation have dispensed with or limited the authority of the Board of Directors by describing who will perform some or all of the duties of a Board of Directors, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of the Board of Directors.

#### 3.2 NUMBER, TENURE AND QUALIFICATION OF DIRECTORS

Unless otherwise provided in the Articles of Incorporation, the authorized number of directors shall be not less than 1 (minimum number) nor more than 9 (maximum number). The number of directors shall always be within the limits specified above, and as determined by resolution adopted by the Board of Directors. After any shares of this corporation are issued, neither the maximum nor minimum number of directors and be changed, nor can a fixed number be substituted for the maximum and minimum numbers, except by a duly adopted amendment to the Articles of Incorporation duly approved by a majority of the outstanding shares entitled to vote. Each director shall hold office until the next annual meeting of shareholders or until removed. However, if his/her term expires, he shall continue to serve until his/her successor shall have been elected and qualified, or until there is a decrease in the number of directors. Unless required by the Articles of Incorporation, directors do not need to be residents of Nevada or shareholders of the corporation.

#### 3.3 REGULAR MEETINGS OF THE BOARD OF DIRECTORS

A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution. (If permitted by Section 3.7, any regular meeting may be held by telephone).

#### 3.4 SPECIAL MEETING OF THE BOARD OF DIRECTORS

Special meetings of the Board of Directors may be called by or at the request of the president or any one director. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Nevada, as the place for holding any special meeting of the Board of Directors or, if permitted by Section 3.7, any special meeting may be held by telephone.

## 3.5 NOTICE OF, AND WAIVER OF NOTICE OF, SPECIAL MEETINGS OF THE BOARD OF DIRECTORS

Unless the Articles of Incorporation provide for a longer or shorter period, notice of any special meeting of the Board of Directors shall be given at least two days prior thereto, either orally or in writing. If mailed, notice of any director meeting shall be deemed to be effective at the earlier off. (1) when received; (2) five days after deposited in the United States mail, addressed to the director's business office, with postage thereon prepaid; or (3) the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the director. Notice may also be given by facsimile and, in such event; notice shall be deemed effective upon transmittal thereof to a facsimile number of a compatible facsimile machine at the director's business office. Any director may waive notice of any meeting. Except as otherwise provided herein, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business and at the beginning of the meeting, or promptly upon his/her arrival, objects to holding the meeting or transacting business at the meeting, and does not thereafter vote for or assent to action taken at the meeting. Unless required by the Articles of Incorporation or the Act, neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

#### 3.6 DIRECTOR QUORUM

A majority of the number of directors fixed, pursuant to Section 3.2 of this Article 3, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, unless the Articles of Incorporation or the Act require a greater number for a quorum.

Any amendment to this quorum requirement is subject to the provisions of Section 3.8 of this Article 3.

Once a quorum has been established at a duly organized meeting, the Board of Directors may continue to transact corporate business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

#### 3.7 ACTIONS BY DIRECTORS

The act of the majority of the directors present at a meeting at which a quorum is present when the vote is taken shall be the act of the Board of Directors, unless the Articles of Incorporation or the Act require a greater percentage. Any amendment which changes the

number of directors needed to take action is subject to the provisions of Section 3.8 of this Article 3.

Unless the Articles of Incorporation provide otherwise, any or all directors may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. Minutes of any such meeting shall be prepared and entered into the records of the corporation. A director participating in a meeting by this means is deemed to be present in person at the meeting.

A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (1) he/she objects at the beginning of the meeting, or promptly upon his/her/fits arrival, to holding it or transacting business at the meeting; or (2) his/her dissent or abstention from the action taken is entered in the minutes of the meeting; or (3) he/she delivers written notice of his/her dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation within 24 hours after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

## 3.8 ESTABLISHING A "SUPERMAJORITY" OUORUM OR VOTING REQUIREMENT FOR THE BOARD OF DIRECTORS

For purposes of this Section 3.8, a "supermajority" quorum is a requirement that more than a majority of the directors in office constitute a quorum; and a "supermajority" voting requirement is one which requires the vote of more than a majority of those directors present at a meeting at which a quorum is present to be the act of the directors.

- (a) A Bylaw that fixes a supermajority quorum or supermajority voting requirement may be amended or repealed:
- $(i) \qquad \text{if originally adopted by the shareholders, only by the shareholders} \\ (unless otherwise provided by the shareholders); or \\$
- (ii) if originally adopted by the Board of Directors, either by the shareholders or by the Board of Directors.
- (b) A Bylaw adopted or amended by the shareholders that fixes a supermajority quorum or supermajority voting requirement for the Board of Directors may provide that it may be amended or repealed only by a specified vote of either the shareholders or the Board of Directors.

Subject to the provisions of the preceding paragraph, action by the Board of Directors to adopt, amend, or repeal a Bylaw that changes the quorum or voting requirement for the Board of Directors must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater.

#### 3.9 DIRECTOR ACTION WITHOUT A MEETING

Unless the Articles of Incorporation provide otherwise, any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if all the directors sign a written consent describing the action taken. Such consents shall be filed with the records of the corporation. Action taken by consent is effective when the last director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a vote at a duly noticed and conducted meeting of the Board of Directors and may be described as such in any document.

#### 3.10 REMOVAL OF DIRECTORS

The shareholders may remove one or more directors at a meeting called for that purpose if notice has been given that a purpose of the meeting is such removal. The removal may be with or without cause unless the Articles of Incorporation provide that directors may only be removed for cause. If cumulative voting is not authorized, a director may be removed only if the number of votes cast in favor of removal exceeds the number of votes cast against removal.

#### 3.11 BOARD OF DIRECTOR VACANCIES

Unless the Articles of Incorporation provide otherwise, if a vacancy occurs on the Board of Directors, the director(s) remaining in office shall fill the vacancy. If the directors remaining in office constitute fewer than a quorum of the Board of Directors, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date) may be filled by the Board of Directors before the vacancy occurs, but the new director may not take office until the vacancy occurs.

The term of a director elected to fill a vacancy expires at the next shareholders' meeting at which directors are elected. However, if his/her term expires, he/she shall continue to serve until his/her successor is elected and qualifies or until there is a decrease in the number of directors.

#### 3.12 DIRECTOR COMPENSATION

Unless otherwise provided in the Articles of Incorporation, by resolution of the Board of Directors, each director may be paid his/her expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors, or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

#### 3.13 DIRECTOR COMMITTEES

(a) CREATION OF COMMITTEES. Unless the Articles of Incorporation provide otherwise, the Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee must have two or more members, who serve at the pleasure of the Board of Directors.

- (b) SELECTION OF MEMBERS. The creation of a committee and appointment of members to it must be approved by the greater of (1) a majority of all the directors in office when the action is taken, or (2) the number of directors required by the Articles of Incorporation to take such action.
- (c) REQUIRED PROCEDURES. Sections 3.4, 3.5, 3.6, 3.7, 3.8 and 3.9 of this Article 3 apply to committees and their members.
- (d) AUTHORITY. Unless limited by the Articles of Incorporation or the Act, each committee may exercise those aspects of the authority of the Board of Directors which the Board of Directors confers upon such committee in the resolution creating the committee. Provided, however, a committee may not:
  - (i) authorize distributions to shareholders;
- (ii) approve or propose to shareholders any action that the Act requires be approved by shareholders;
  - (iii) fill vacancies on the Board of Directors or on any of its

committees;

- (iv) amend the Articles of Incorporation;
- (v) adopt, amend, or repeal Bylaws;
- (vi) approve a plan of merger not requiring shareholder approval;
- (vii) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors; or
- (viii) authorize or approve the issuance or sale, or contract for sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares; except that the Board of Directors may authorize a committee to do so within limits specifically described by the Board of Directors.

#### ARTICLE 4

#### OFFICERS

#### 4.1 DESIGNATION OF OFFICERS

The officers of the corporation shall be a president, a secretary, and a treasurer, each of whom shall be appointed by the Board of Directors. Such other officers and assistant officers as may be deemed necessary, including a Chairman of the Board and any vice-presidents, may be appointed by the Board of Directors. The same individual may simultaneously hold more than one office in the corporation.

11

#### 4.2 APPOINTMENT AND TERM OF OFFICE

The officers of the corporation shall be appointed by the Board of Directors for a term as determined by the Board of Directors. If no term is specified, they shall hold office until the first meeting of the directors held after the next annual meeting of shareholders. If the appointment of officers is not made at such meeting, such appointment shall be made as soon thereafter as is convenient. Each officer shall hold office until his/her successor has been duly appointed and qualified, until his/her death, or until he/she resigns or has been removed in the manner provided in Section 4.3 of this Article 4.

The designation of a specified term does not grant to the officer any contract rights, and the Board of Directors can remove the officer at any time prior to the termination of such term.

Appointment of an officer shall not of itself create any contract rights.

#### 4.3 REMOVAL OF OFFICERS

Any officer may be removed by the Board of Directors at any time, with or without cause. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

#### 4.4 CHAIRMAN OF THE BOARD

The Chairman of the Board, if such an officer be elected, shall, if present, preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned by the Board of Directors or prescribed by the Bylaws. If there is no President, the Chairman of the Board shall in addition be the Chief Executive Officer of the corporation and shall have the powers and duties described in Article 4, Section 4.5.

#### 4.5 PRESIDENT

The president shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall generally supervise and control all of the business and affairs of the corporation. He/she shall, when present, preside at all meetings of the shareholders. He/she may sign, with the secretary or any other proper officer of the corporation thereunto duly authorized by the Board of Directors, certificates for shares of the corporation and deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed. The president shall generally perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

#### 4.6 VICE-PRESIDENT

If appointed, in the absence of the president or in the event of the president's death, inability or refusal to act, the vice-president (or in the event there be more than one vice-

president, the vice-presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their appointment) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. If there is no vice-president, then the treasurer shall perform such duties of the president. Any vice-president may sign, with the secretary or an assistant secretary, certificates for shares of the corporation the issuance of which have been authorized by resolution of the Board of Directors. A vice-president shall perform such other duties as from time to time may be assigned to him/her by the president or by the Board of Directors.

#### 4.7 SECRETARY

The secretary shall (a) keep the minutes of the proceedings of the shareholders and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporation experience of the corporation and, if there is a seal of the corporation, see that it is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized; (d) when requested or required, authenticate any records of the corporation; (e) keep a register of the post office address of each shareholder, as provided to the secretary by the shareholders; (f) sign with the president, or a vice-president, certificates for shares of the corporation, the issuance of which has been authorized by resolution of the Board of Directors; (g) have general charge of the stock transfer books of the corporation; and (h) generally perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to her by the president or by the Board of Directors.

#### 4.8 TREASURER

The treasurer shall (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositaries as may be selected by the Board of Directors; and (c) generally perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the president or by the Board of Directors.

If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

#### 4.9 ASSISTANT SECRETARIES AND ASSISTANT TREASURERS

The assistant secretaries, when authorized by the Board of Directors, may sign with the president, or a vice-president, certificates for shares of the corporation, the issuance of which has been authorized by a resolution of the Board of Directors. The assistant treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant secretaries and assistant treasurers, generally, shall perform such duties as may be assigned to them by the secretary or the treasurer, respectively, or by the president or the Board of Directors.

13

#### 4.10 COMPENSATION

The compensation of the officers, if any, shall be fixed from time to time by the Board of Directors, or an authorized committee thereof.

#### ARTICLE 5

#### INDEMNIFICATION OF DIRECTORS, OFFICERS, AGENTS, AND EMPLOYEES

# 5.1 <u>INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND</u> AGENTS

Unless otherwise provided in the Articles of Incorporation, the corporation shall indemnify any individual made a party to a proceeding because he is or was an officer, director, employee or agent of the corporation against liability incurred in the proceeding, all pursuant to and consistent with the provisions of NRS 78.751, as amended from time to time.

#### 5.2 ADVANCE EXPENSES FOR OFFICERS AND DIRECTORS

The expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding shall be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, but only after receipt by the corporation of an undertaking by or on behalf of the officer or director on terms set by the Board of Directors, to repay the expenses advanced if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation.

#### 5.3 SCOPE OF INDEMNIFICATION

The indemnification permitted herein is intended to be to the fullest extent permissible under the laws of the State of Nevada, and any amendments thereto.

#### ARTICLE 6

#### CERTIFICATES FOR SHARES AND THEIR TRANSFER

#### 6.1 CERTIFICATES FOR SHARES

(a) Content-Certificates representing shares of the corporation shall at minimum, state on their face the name of the issuing corporation; that the corporation is formed under the laws of the State of Nevada; the name of the person to whom issued; the certificate number; class and par value of shares; and the designation of the series, if any, the certificate represents. The form of the certificate shall be as determined by the Board of Directors. Such certificates shall be signed (either manually or by facsimile) by the president or a vice president and by the secretary or an assistant secretary and may be sealed with a corporate seal or a facsimile thereof. Each certificate for shares shall be consecutively numbered or otherwise identified.

- (b) Legend as to Class or Series If the corporation is authorized to issue different classes of shares or different series within a class, the designations, relative rights, preferences, and limitations applicable to each class and the variations in rights, preferences, and limitations determined for each series (and the authority of the Board of Directors to determine variations for future series) must be summarized on the front or back of the certificate indicating that the corporation will furnish the shareholder this information on request in writing and without charge.
- (c) Shareholder List The name and address of the person to whom the shares are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation.
- (d) Transferring Shares All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed, or mutilated certificate, a new one may be issued therefor upon such terms as the Board of Directors may prescribe, including indemnification of the corporation and bond requirements.

#### 6.2 REGISTRATION OF THE TRANSFER OF SHARES

Registration of the transfer of shares of the corporation shall be made only on the stock transfer books of the corporation. In order to register a transfer, the record owner shall surrender the share certificate to the corporation for cancellation, properly endorsed by the appropriate person or persons with reasonable assurances that the endorsements are genuine and effective. Unless the corporation has established a procedure by which a beneficial owner of shares held by a nominee is to be recognized by the corporation as the owner, the person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

#### 6.3 RESTRICTIONS ON TRANSFER OF SHARES PERMITTED

The Board of Directors may impose restrictions on the transfer or registration of transfer of shares, including any security convertible into, or carrying a right to subscribe for or acquire shares. A restriction does not affect shares issued before the restriction was adopted unless the holders of the shares are parties to the restriction agreement or voted in favor of the restriction.

- (a) A restriction on the transfer or registration of transfer of shares may be authorized:
- to maintain the corporation's status when it is dependent on the number or identity of its shareholders;
  - (ii) to preserve exemptions under federal or state securities law; or
  - (iii) for any other reasonable purpose.
  - (b) A restriction on the transfer or registration of transfer of shares may:

15

- (i) obligate the shareholder first to offer the corporation or other persons (separately, consecutively, or simultaneously) an opportunity to acquire the restricted shares;
- (ii) obligate the corporation or other persons (separately, consecutively, or simultaneously) to acquire the restricted shares;
- (iii) require the corporation, the holders or any class of its shares, or another person to approve the transfer of the restricted shares, if the requirement is not manifestly unreasonable; or
- (iv) prohibit the transfer of the restricted shares to designated persons or classes of persons, if the prohibition is not manifestly unreasonable.

A restriction on the transfer or registration of transfer of shares is valid and enforceable against the holder or a transferee of the holder if the restriction is authorized by this Section 6.3 and its existence is noted conspicuously on the front or back of the certificate. Unless so noted, a restriction is not enforceable against a person without knowledge of the restriction.

#### 6.4 ACQUISITION OF SHARES

The corporation may acquire its own shares and unless otherwise provided in the Articles of Incorporation, the shares so acquired constitute authorized but unissued shares.

If the Articles of Incorporation prohibit the reissue of shares acquired by the corporation, the number of authorized shares is reduced by the number of shares acquired, effective upon amendment of the Articles of Incorporation, which amendment shall be adopted by the shareholders, or the Board of Directors without shareholder action (if permitted by the Act). The amendment must be delivered to the Secretary of State and must set forth:

- (i) the name of the corporation;
- (ii) the reduction in the number of authorized shares, itemized by class and series; and;
- (iii) the total number of authorized shares, itemized by class and series, remaining after reduction of the shares.

#### ARTICLE 7

#### DISTRIBUTIONS

# 7.1 DISTRIBUTIONS

The Board of Directors may authorize, and the corporation may make, distributions (including dividends on its outstanding shares) in the manner and upon the terms and conditions provided by law.

16

#### ARTICLE 8

#### CORPORATE SEAL

#### 8.1 CORPORATE SEAL

The Board of Directors may adopt a corporate seal which may be circular in form and have inscribed thereon any designation, including the name of the corporation, Nevada as the state of incorporation, and the words "Corporate Seal."

#### ARTICLE 9

#### RECORDS, INSPECTION

#### 9.1 RECORDS

The corporation shall maintain, in accordance with generally accepted accounting principles, adequate and correct accounts, books and records of its business and properties. All of such books, records and accounts shall be kept at its principal executive office as fixed by the Board of Directors from time to time.

#### 9.2 INSPECTION OF BOOKS AND RECORDS

All books and records shall be open to inspection of the Directors and Shareholders from time to time and in the manner provided under applicable law.

#### 9.3 CERTIFICATION AND INSPECTION OF BYLAWS

The original or a copy of these bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be kept at the corporation's principal executive office and shall be open to inspection by the Shareholders at all reasonable times during office hours.

# 9.4 CHECK, DRAFTS, ETC.

All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by the Board of Directors.

#### 9.5 CONTRACT, ETC. - HOW EXECUTED

The Board of Directors, except as in the Bylaws otherwise provided, may authorize any Officer or Officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no Officer, agent or employee shall have any power or authority to bind the corporation by any contract or agreement, or to pledge its credit, or to render it liable for any purpose or to any amount except as may be provided under applicable law.

# 9.6 ACCOUNTING YEAR

The accounting year of the corporation shall be fixed by resolution of the Board of Directors.

#### ARTICLE 10

#### AMENDMENTS

#### 10.1 AMENDMENTS

The Board of Directors may amend or repeal the corporation's Bylaws unless:

- $\begin{tabular}{ll} (i) & The Articles of Incorporation or the Act reserve this power exclusively to the shareholders, in whole or part; or \\ \end{tabular}$
- (ii) the shareholders, in adopting, amending, or repealing a particular Bylaw, provide expressly that the Board of Directors may not amend or repeal that Bylaw; or
- $\label{eq:continuous} (iii) \quad \text{the Bylaw either establishes, amends or deletes a "supermajority" shareholder quorum or voting requirement, as defined in Section 2.8 of Article 2.}$

Any amendment which changes the voting or quorum requirement for the Board of Directors must comply with Section 3.8 of Article 3, and for the shareholders, must comply with Section 2.8 of Article 2.

The corporation's shareholders may also amend or repeal the corporation's Bylaws at any meeting held pursuant to Article 2.

#### CERTIFICATE OF SECRETARY

I hereby certify that I am the Secretary CRYOPORT, INC. and that the foregoing Amended and Restated Bylaws, consisting of eighteen (18) pages, constitutes the Amended and Restated Bylaws of CRYOPORT, INC. as duly adopted by the Board of Directors of the corporation on this 21st day of June, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 21st day of June, 2005.

Sai

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427580.1

#### UNANIMOUS WRITTEN CONSENT THE BOARD OF DIRECTORS OF CRYOPORT, INC., A Nevada Corporation

Dated: June 22, 2005

Pursuant to the provision of Section 78.315 of the Nevada Revised Statutes, the undersigned, constituting all the Board of Directors of CryoPort, Inc., a Nevada corporation (the "Company"), do hereby dispense with the formality of a meeting and do hereby adopt the following resolutions:

#### Amended and Restated By-Laws

WHEREAS, pursuant to Section 1 of Article VII of the By-Laws of the Company (the "By-Laws"), the Board of Directors has the power to adopt amendments and restatements to the By-Laws; and

WHEREAS, the Board of Directors have determined that it is necessary and in the best interests of the Company to amend and restate the Bylaws in their entirety in the form of Exhibit A attached hereto (the "Amended and Restated By-Laws"); and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopt and approve the Amended and Restated By-Laws, effective as of June 22, 2005; and

FURTHER RESOLVED, that the officers of the Company be, and each of them hereby is, authorized and directed, on behalf of the Company, to take such other and further action and to execute such other and further documents and instruments as may be necessary or advisable or appropriate to carry out the intent of the foregoing resolutions.

#### Appointment of New Directors

WHEREAS, there are two vacancies on the Board of Directors;

WHEREAS, the undersigned deem it to be in the best interest of this Company to elect Gary Cannon and Adam Michelin to serve on the Board of Directors to fill said vacancies;

NOW, THEREFORE, BE IT RESOLVED, that Gary Cannon and Adam Michelin are hereby elected as Directors of the Company to serve until the next annual meeting of shareholders of the Company or until their successors are duly elected and qualified.

#### Appointment of Assistant Secretary

WHEREAS, David Petreccia has submitted his resignation as this Company's Secretary;

WHEREAS, the undersigned deem it to be in the best interest of this Company to elect Gary Cannon to serve as this Company's Secretary;

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NOW, THEREFORE, BE IT RESOLVED, that the resignation of David Petreccia is hereby accepted, and that Gary Cannon is hereby elected Secretary of the Company to fill the vacancy created by Dr. Petreccia's resignation, to serve out Dr. Petreccia's remaining term as Secretary, or until his successor shall be duly elected, unless he shall resign, be removed from office or is otherwise disqualified from serving as Secretary of the Company.

#### Appointment of General Counsel

WHEREAS, it is in the best interests of the Company to retain a General Counsel;

WHEREAS, the undersigned deem it to be in the best interest of this Company to retain Gary Cannon to serve as this Company's General Counsel;

NOW, THEREFORE, BE IT RESOLVED, that the President of the Company is hereby authorized and directed to retain Gary Cannon as this Company's General Counsel, at the rate of \$6,000 per month.

#### Acceptance of Resignation

WHEREAS, Dr. Mullens has submitted to the undersigned his resignation as the Company's Chairman of the Board;

NOW, THEREFORE, BE IT RESOLVED, that the undersigned hereby accept Dr. Mullens resignation and shall initiate a search for a suitable replacement

IN WITNESS WHEREOF, this Consent shall be filed with the records of the Corporation and shall be treated for all purposes as resolutions adopted at a meeting of the Board of Directors.

Poter Berry, Director	Pat Mullens, Director
Jeffrey Dell, Director	

TREINECURVA27222.1

NOW, THEREFORE, BE IT RESOLVED, that the resignation of David Petreccia is hereby accepted, and that Gary Cannon is hereby elected Secretary of the Company to fill the vacancy created by Dr. Petreccia's resignation, to serve out Dr. Petreccia's remaining term as Secretary, or until his successor shall be duly elected, unless he shall resign, be removed from office or is otherwise disqualified from serving as Secretary of the Company.

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Peter Berry, Director Pat Mullens, Director

TREINECURVA27222.1

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IN WITNESS WHEREOF, this Consent shall be filed with the records of the Corporation and shall be treated for all purposes as resolutions adopted at a meeting of the Board of Directors.

Peter Berry, Director	 Pat Mullens, Director
Jeffrey Dell, Director	





IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

DEC 1 3 2000

Bild nes.
Secretary of State

ec/State Form CE-107 (rev. 9/98)

150 OSP 98 135

# 2322653

#### ARTICLES OF INCORPORATION

ENDORSED - FILED in the office of the Secretary of State of the State of California.

OF

CRYOPORT SYSTEMS, INC.

DEC 1 1 2000 BILL JONES, Secretary of State

ARTICLE I

The name of this corporation is:

CryoPort Systems, Inc.

#### ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

#### ARTICLE III

The name and complete business address in the State of California of this corporation's initial agent for service of process is:

Marc Grossman 2713 Bonnie Beach Place Vernon, California 90023

#### ARTICLE IV

The corporation is authorized to issue two classes of shares designated respectively "Common Stock" and "Preferred Stock." The authorized number of shares of Common Stock is 30,000,000 and the authorized number of shares of Preferred Stock is 5,000,000.

The shares of Preferred Stock may be issued from time to time in one or more series. The Board of Directors is authorized to fix the number of shares of any series of Preferred Stock and to determine the designation of any such series. The Board of Directors is also authorized to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock and, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such series subsequent to the issue of shares of that series.

#### ARTICLE V

- (a) The liability of directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.
- (b) The corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through Bylaw provisions, agreements with agents, vote of shareholders or disinterested directors, or otherwise, to the fullest extent permissible under California law.
- (c) Any amendment, repeal or modification of any provision of this Article V shall not adversely affect any right or protection of an agent of this corporation existing at the time of such amendment, repeal or modification.

Mark R. Ziebell, Incorporator



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2

# BYLAWS

OF

# CRYOPORT SYSTEMS, INC.

listory of Actions Taken Related to Bylaws	Date	4
ylaws Adopted	December 11, 2000	
	dh.	
14		

# TABLE OF CONTENTS

		Page
ARTIC	CLE I CORPORATE OFFICES	1
1.1	PRINCIPAL OFFICE	1
1.2	OTHER OFFICES	1
ARTIC	CLE II MEETINGS OF SHAREHOLDERS	1
2.1	PLACE OF MEETINGS	1
2.2	ANNUAL MEETING	1
2.3	SPECIAL MEETING	1
2.4	NOTICE OF SHAREHOLDERS' MEETINGS	1 2 2 3 3 3
2.5	MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE	2
2.6	QUORUM	3
2.7	ADJOURNED MEETING; NOTICE	3
2.8	VOTING	
2.9	VALIDATION OF MEETINGS; WAIVER OF NOTICE; CONSENT	4
2.10	SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEET	-
2.11	RECORD DATE FOR SHAREHOLDER NOTICE; VOTING; GIVING CONS	SENTS 5
2.12	PROXIES	6
2.13	INSPECTORS OF ELECTION	6
ARTIC	LE III DIRECTORS	7
3.1	POWERS	7
3.2	NUMBER OF DIRECTORS	7
3.3	ELECTION AND TERM OF OFFICE OF DIRECTORS	7
3.4	REMOVAL	7
3.5	RESIGNATION AND VACANCIES	7
3.6	PLACE OF MEETINGS; MEETINGS BY TELEPHONE	8
3.7	REGULAR MEETINGS	8
3.8	SPECIAL MEETINGS; NOTICE	8
3.9	QUORUM	9
3.10	WAIVER OF NOTICE	9
3.11	ADJOURNMENT	9
3.12	NOTICE OF ADJOURNMENT	9
3.13	BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING	9
3.14	FEES AND COMPENSATION OF DIRECTORS	10
3.15	APPROVAL OF LOANS TO OFFICERS	10
ARTIC	LE IV COMMITTEES	10
4.1	COMMITTEES OF DIRECTORS	10
4.2	MEETINGS AND ACTION OF COMMITTEES	11
ARTIC	LE V OFFICERS	11
5.1	OFFICERS	11
5.2	APPOINTMENT OF OFFICERS	11
	SUBORDINATE OFFICERS	11

5.4	REMOVAL AND RESIGNATION OF OFFICERS	11
5.5	VACANCIES IN OFFICES	12
5.6	CHAIRMAN OF THE BOARD	12
5.7	PRESIDENT	12
5.8	VICE PRESIDENTS	12
5.9	SECRETARY	12
5.10		13
ARTIC	LE VI INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AN	ND
OTHER	R AGENTS	13
6.1	INDEMNIFICATION OF DIRECTORS	13
6.2	INDEMNIFICATION OF OTHERS	13
6.3	PAYMENT OF EXPENSES IN ADVANCE	14
6.4	INDEMNITY NOT EXCLUSIVE	14
6.5	INSURANCE INDEMNIFICATION	14
6.6	CONFLICTS	14
6.7	RIGHT TO BRING SUIT	14
6.8	INDEMNITY AGREEMENTS	15
6.9	AMENDMENT, REPEAL OR MODIFICATION	15
ARTIC	LE VII RECORDS AND REPORTS	15
7.1	MAINTENANCE AND INSPECTION OF SHARE REGISTER	15
7.2	MAINTENANCE AND INSPECTION OF BYLAWS	16
7.3	MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS	16
7.4	INSPECTION BY DIRECTORS	16
7.5	ANNUAL REPORT TO SHAREHOLDERS; WAIVER	16
7.6	FINANCIAL STATEMENTS	17
7.7	REPRESENTATION OF SHARES OF OTHER CORPORATIONS	17
ARTIC	LE VIII GENERAL MATTERS	18
8.1	RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING	18
8.2	CHECKS; DRAFTS; EVIDENCES OF INDEBTEDNESS	18
8.3	CORPORATE CONTRACTS AND INSTRUMENTS: HOW EXECUTED	18
8.4	CERTIFICATES FOR SHARES	18
8.5	LOST CERTIFICATES	19
8.6	CONSTRUCTION; DEFINITIONS	19
ARTICI	LE IX AMENDMENTS	19
9.1	AMENDMENT BY SHAREHOLDERS	19
9.2	AMENDMENT BY DIRECTORS	19
9.3	RECORD OF AMENDMENTS	19
ARTICI	E X - INTERPRETATION	17

#### BYLAWS

OF

# CRYOPORT SYSTEMS, INC.

# ARTICLE I CORPORATE OFFICES

- 1.1 PRINCIPAL OFFICE. The Board of Directors shall fix the location of the principal executive office of the corporation at any place within or outside the State of California. If the principal executive office is located outside California and the corporation has one or more business offices in California, then the Board of Directors shall fix and designate a principal business office in California.
- 1.2 OTHER OFFICES. The Board of Directors may at any time establish branch or subordinate offices at any place or places.

# ARTICLE II MEETINGS OF SHAREHOLDERS

- 2.1 PLACE OF MEETINGS. Meetings of shareholders shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, shareholders' meetings shall be held at the principal executive office of the corporation or at any place consented to in writing by all persons entitled to vote at such meeting, given before or after the meeting and filed with the Secretary of the corporation.
- 2.2 <u>ANNUAL MEETING</u>. An annual meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. At that meeting, directors shall be elected. Any other proper business may be transacted at the annual meeting of shareholders.
- 2.3 <u>SPECIAL MEETINGS</u>. The Board of Directors, the Chairman of the Board, the President or the holders of shares entitled to cast not less than 10% of the votes at the special meeting of the shareholders may call such special meetings of the shareholders at any time, subject to the provisions of Sections 2.4 and 2.5 of these Bylaws.

If a special meeting is called by anyone other than the Board of Directors or the President or the Chairman of the Board, then the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by other written communication to the Chairman of the Board, the President, any Vice President or the Secretary of the corporation. The officer receiving the request forthwith shall cause notice to be given to the shareholders entitled to vote, in accordance with the provisions of Sections 2.4 and 2.5 of these Bylaws, that a meeting will be held at the time requested by the person or persons calling the meeting, so long as that time is not less than 35 nor more than 60 days after the receipt of the request. If the notice is not given within 20 days after receipt of the

request, then the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 2.3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

2.4 NOTICE OF SHAREHOLDERS' MEETINGS. All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 2.5 of these Bylaws not less than 10 (or, if sent by third-class mail pursuant to Section 2.5 of these Bylaws, not less than 30) nor more than 60 days before the date of the meeting to each shareholder entitled to vote thereat. Such notice shall state the place, date, and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, and no business other than that specified in the notice may be transacted, or (ii) in the case of the annual meeting, those matters which the Board of Directors, at the time of the mailing of the notice, intends to present for action by the shareholders, but, subject to the provisions of the next paragraph of this Section 2.4, any proper matter may be presented at the meeting for such action. The notice of any meeting at which directors are to be elected shall include the names of nominees intended at the time of the notice to be presented by the Board of Directors for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the California Corporations Code (the "Code"), (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of the Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of the Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of the Code, or (v) a distribution in dissolution other than in accordance with the rights of any outstanding preferred shares, pursuant to Section 2007 of the Code, then the notice shall also state the general nature of that proposal.

2.5 MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE. Notice of a shareholders' meeting shall be given either personally or by first-class mail, or, if the corporation has outstanding shares held of record by 500 or more persons (determined as provided in Section 605 of the Code) on the record date for the shareholders' meeting, notice may be sent by third-class mail, or other means of written communication, addressed to the shareholder at the address of the shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice; or if no such address appears or is given, at the place where the principal executive office of the corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal executive office is located. The notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication.

If any notice (or any report referenced in Article VII of these Bylaws) addressed to a shareholder at the address of such shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available to the shareholder upon written demand of the shareholder at the principal executive office of the corporation for a period of one year from the date of the giving of the notice.

An affidavit of mailing of any notice or report in accordance with the provisions of this Section 2.5, executed by the Secretary, Assistant Secretary or any transfer agent, shall be prima facie evidence of the giving of the notice or report.

QUORUM. Unless otherwise provided in the Articles of Incorporation of the corporation, a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the shareholders. The shareholders present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

In the absence of a quorum, any meeting of shareholders may be adjourned from time to time by the vote of a majority of the shares represented either in person or by proxy, but no other business may be transacted, except as provided in the last sentence of the preceding paragraph.

2.7 ADJOURNED MEETING; NOTICE. Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if its time and place are announced at the meeting at which the adjournment is taken. However, if the adjournment is for more than 45 days from the date set for the original meeting or if a new record date for the adjourned meeting is fixed, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 2.4 and 2.5 of these Bylaws. At any adjourned meeting the corporation may transact any business that might have been transacted at the original meeting.

2.8 <u>VOTING</u>. The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 2.11 of these Bylaws, subject to the provisions of Sections 702 through 704 of the Code (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership).

Elections for directors and voting on any other matter at a shareholders' meeting need not be by ballot unless a shareholder demands election by ballot at the meeting and before the voting begins.

Except as provided in the last paragraph of this Section 2.8, or as may be otherwise provided in the Articles of Incorporation, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote of the shareholders. Any holder of shares entitled to vote on any matter may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or may vote them against the proposal other than elections to office, but, if the shareholder fails to specify the number of shares such shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares which the shareholder is entitled to vote.

The affirmative vote of the majority of the shares represented and voting at a duly held meeting at which a quorum is present (which shares voting affirmatively also constitute at least a majority of the required quorum) shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by the Code or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, a shareholder shall be entitled to cumulate votes either (i) by giving one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are normally entitled or (ii) by distributing the shareholder's votes on the same principle among as many candidates as the shareholder thinks fit, if the candidate or candidates' names have been placed in nomination prior to the voting and the shareholder has given notice prior to the voting of the shareholder's intention to cumulate the shareholder's votes. If any one shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination. The candidates receiving the highest number of affirmative votes, up to the number of directors to be elected, shall be elected; votes against any candidate and votes withheld shall have no legal effect.

2.9 VALIDATION OF MEETINGS; WAIVER OF NOTICE; CONSENT. The transactions of any meeting of shareholders, either annual or special, however called and noticed, and wherever held, are as valid as though they had been taken at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. Neither the business to be transacted at nor the purpose of any annual or special meeting of shareholders need be specified in any written waiver of notice or consent to the holding of the meeting or approval of the minutes thereof, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 2.4 of these Bylaws, the waiver of notice or consent or approval shall state the general nature of the proposal. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance of a person at a meeting shall constitute a waiver of notice of and presence at that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by the Code to be included in the notice of such meeting but not so included, if such objection is expressly made at the meeting.

2.10 SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING. Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Directors may not be elected by written consent except by unanimous written consent of all shares entitled to vote for the election of directors. However, a director may be elected at any time to

fill any vacancy on the Board of Directors, provided that it was not created by removal of a director and that it has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors.

All such consents shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holders, or a transferee of the shares, or a personal representative of the shareholder, or their respective proxy holders, may revoke the consent by a writing received by the Secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the Secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, the Secretary shall give prompt notice of any corporate action approved by the shareholders without a meeting by less than unanimous written consent to those shareholders entitled to vote who have not consented in writing. Such notice shall be given in the manner specified in Section 2.5 of these Bylaws. In the case of approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Code, (ii) indemnification of a corporate "agent," pursuant to Section 317 of the Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of the Code, and (iv) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of the Code, the notice shall be given at least 10 days before the consummation of any action authorized by that approval, unless the consents of all shareholders entitled to vote have been solicited in writing.

2.11 RECORD DATE FOR SHAREHOLDER NOTICE; VOTING; GIVING CONSENTS. In order that the corporation may determine the shareholders entitled to notice of any meeting or to vote, the Board of Directors may fix, in advance, a record date, which shall not be more than 60 days nor less than 10 days prior to the date of such meeting nor more than 60 days before any other action. Shareholders at the close of business on the record date are entitled to notice and to vote, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the Articles of Incorporation or the Code.

A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting, but the Board of Directors shall fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.

If the Board of Directors does not so fix a record date:

- (a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.
- (b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, (i) when no prior action by the Board of Directors has been taken, shall be the day on which the first written consent is given, or (ii) when prior action by

the Board of Directors has been taken, shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

The record date for any other purpose shall be as provided in Section 8.1 of these Bylaws.

- PROXIES. Every person entitled to vote for directors, or on any other matter, shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the Secretary of the corporation. A proxy shall be deemed signed if the shareholder's name or other authorization is placed on the proxy (whether by manual signature, typewriting, telegraphic or electronic transmission or otherwise) by the shareholder or the shareholder's attorney-in-fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (i) the person who executed the proxy revokes it prior to the time of voting by delivering a writing to the corporation stating that the proxy is revoked or by executing a subsequent proxy and presenting it at the meeting or by attendance at such meeting and voting in person, or (ii) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of 11 months from the date thereof, unless otherwise provided in the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed. The provisions of Sections 705(e) and 705(f) of the Code shall govern the revocability of a proxy that states on its face that it is irrevocable.
- 2.13 INSPECTORS OF ELECTION. In advance of any meeting of shareholders, the Board of Directors may appoint inspectors of election to act at the meeting and any adjournment thereof. If inspectors of election are not so appointed or designated or if any persons so appointed fail to appear or refuse to act, then the Chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election (or persons to replace those who so fail to appear) at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more shareholders or proxies, the majority of shares represented in person or by proxy shall determine whether one or three inspectors are to be appointed.

The inspectors of election shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

# ARTICLE III DIRECTORS

- 3.1 <u>POWERS</u>. Subject to the provisions of the Code and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the shareholders or by the outstanding shares, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of the corporation to a management company or other person provided that the business and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.
- 3.2 NUMBER OF DIRECTORS. The authorized number of directors of the corporation shall be not less than 4 nor more than 7 (which in no case shall be greater than two times the stated minimum minus one), and the exact number of directors shall be 4 until changed, within the limits specified above, by a resolution amending such exact number, duly adopted by the Board of Directors or by the shareholders. The minimum and maximum number of directors may be changed, or a definite number may be fixed without provision for an indefinite number, by a duly adopted amendment to this Bylaw duly adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that an amendment reducing the fixed number or the minimum number of directors to a number less than 5 cannot be adopted if the votes cast against its adoption at a meeting, or the shares not consenting in the case of an action by written consent, are equal to more than 16 2/3 % of the outstanding shares entitled to vote thereon.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

- 3.3 <u>ELECTION AND TERM OF OFFICE OF DIRECTORS</u>. At each annual meeting of shareholders, directors shall be elected to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified, except in the case of the death, resignation, or removal of such a director.
- 3.4 <u>REMOVAL</u>. The entire Board of Directors or any individual director may be removed from office without cause by the affirmative vote of a majority of the outstanding shares entitled to vote on such removal; provided, however, that unless the entire Board is removed, no individual director may be removed when the votes cast against such director's removal, or not consenting in writing to such removal, would be sufficient to elect that director if voted cumulatively at an election at which the same total number of votes cast were cast (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of such director's most recent election were then being elected.
- 3.5 <u>RESIGNATION AND VACANCIES</u>. Any director may resign effective upon giving oral or written notice to the Chairman of the Board, the President, the Secretary or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. If the

resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

Vacancies on the Board of Directors may be filled by a majority of the remaining directors, or if the number of directors then in office is less than a quorum by (i) unanimous written consent of the directors then in office, (ii) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice, or (iii) a sole remaining director; however, a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the affirmative vote of a majority of the shares represented and voting at a duly held meeting at which a quorum is present (which shares voting affirmatively also constitute at least a majority of the required quorum), or by the unanimous written consent of all shares entitled to vote thereon. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified, or until his or her death, resignation or removal.

A vacancy or vacancies in the Board of Directors shall be deemed to exist (i) in the event of the death, resignation or removal of any director, (ii) if the Board of Directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, (iii) if the authorized number of directors is increased, or (iv) if the shareholders fail, at any meeting of shareholders at which any director or directors are elected, to elect the full authorized number of directors to be elected at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent, other than to fill a vacancy created by removal, shall require the consent of the holders of a majority of the outstanding shares entitled to vote thereon. A director may not be elected by written consent to fill a vacancy created by removal except by unanimous consent of all shares entitled to vote for the election of directors.

3.6 PLACE OF MEETINGS: MEETINGS BY TELEPHONE. Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board of Directors. In the absence of such a designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or if there is no notice, at the principal executive office of the corporation.

Members of the Board of Directors may participate in a meeting through the use of conference telephone or similar communications equipment, so long as all directors participating in such meeting can hear one another. Participation in a meeting pursuant to this paragraph constitutes presence in person at such meeting.

- 3.7 <u>REGULAR MEETINGS</u>. If the Board of Directors fixes the time and place of regular meetings then such regular meetings may be held without notice.
- 3.8 <u>SPECIAL MEETINGS</u>; <u>NOTICE</u>. Subject to the provisions of the following paragraph, the Chairman of the Board, the President, any Vice President, the Secretary or any 2

directors may call a special meeting of the Board of Directors for any purpose or purposes at any time.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director or sent by first-class mail, telegram, charges prepaid, or by facsimile, addressed to each director at that director's address as it is shown on the records of the corporation. If the notice is mailed, it shall be deposited in the United States mail at least 4 days before the time of the holding of the meeting. If the notice is delivered personally or by telephone or by facsimile or telegram, it shall be delivered personally or by telephone or by facsimile or to the telegraph company at least 48 hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting.

3.9 QUORUM. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 3.11 of these Bylaws. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, subject to the provisions of Section 310 of the Code (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of the Code (as to appointment of committees), Section 317(e) of the Code (as to indemnification of directors), the Articles of Incorporation, and other applicable law.

A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

- 3.10 <u>WAIVER OF NOTICE</u>. Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. A waiver of notice need not specify the purpose of any regular or special meeting of the Board of Directors.
- 3.11 <u>ADJOURNMENT</u>. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.
- 3.12 NOTICE OF ADJOURNMENT. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.
- 3.13 <u>BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING.</u> Any action that the Board of Directors is required or permitted to take may be taken without a meeting, if all members of the Board of Directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of

Directors. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors.

- 3.14 FEES AND COMPENSATION OF DIRECTORS. Directors and members of committees may receive such compensation, if any, for their services and such reimbursement of expenses as may be fixed or determined by resolution of the Board of Directors. This Section 3.14 shall not be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee or otherwise and receiving compensation for those services.
- 3.15 APPROVAL OF LOANS TO OFFICERS. If these Bylaws have been approved by the corporation's shareholders in accordance with the Code, the corporation may, upon the approval of the Board of Directors alone, make loans of money or property to, or guarantee the obligations of, any officer of the corporation or of its parent, if any, whether or not a director, or adopt an employee benefit plan or plans authorizing such loans or guaranties provided that (i) the Board of Directors determines that such a loan or guaranty or plan may reasonably be expected to benefit the corporation, (ii) the corporation has outstanding shares held of record by 100 or more persons (determined as provided in Section 605 of the Code) on the date of approval by the Board of Directors, and (iii) the approval of the Board of Directors is by a vote sufficient without counting the vote of any interested director or directors. Notwithstanding the foregoing, the corporation shall have the power to make loans permitted by the Code.

# ARTICLE IV COMMITTEES

- 4.1 <u>COMMITTEES OF DIRECTORS</u>. The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, each of which consists of 2 or more directors, to serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the authorized number of directors. Any such committee shall have authority to act in the manner and to the extent provided in the resolution of the Board of Directors and may have all the authority of the Board of Directors, except with respect to:
- (a) The approval of any action that, under the Code, also requires shareholders approval or approval of the outstanding shares.
  - (b) The filling of vacancies on the Board of Directors or in any committee.
- (c) The fixing of compensation of the directors for serving on the Board of Directors or on any committee.
  - (d) The amendment or repeal of these Bylaws or the adoption of new Bylaws.
- (e) The amendment or repeal of any resolution of the Board of Directors that by its express terms is not so amendable or repealable.

- (f) A distribution to the shareholders of the corporation, except at a rate, in a periodic amount or within a price range set forth in the Articles of Incorporation or determined by the Board of Directors.
- (g) The appointment of any other committees of the Board of Directors or the members thereof.
- 4.2 MEETINGS AND ACTION OF COMMITTEES. Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Article III of these Bylaws, Section 3.6 (place of meetings), Section 3.7 (regular meetings), Section 3.8 (special meetings and notice), Section 3.9 (quorum), Section 3.10 (waiver of notice), Section 3.11 (adjournment), Section 3.12 (notice of adjournment), and Section 3.13 (action without meeting), with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee, that special meetings of committees may also be called by resolution of the Board of Directors, and that notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

# ARTICLE V OFFICERS

- 5.1 OFFICERS. The officers of the corporation shall be a President, a Secretary, and a Chief Financial Officer. The corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 5.3 of these Bylaws. The same person may hold any number of offices.
- 5.2 APPOINTMENT OF OFFICERS. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 or Section 5.5 of these Bylaws, shall be chosen by the Board of Directors and serve at the pleasure of the Board of Directors, subject to the rights, if any, of an officer under any contract of employment.
- 5.3 <u>SUBORDINATE OFFICERS</u>. The Board of Directors may appoint, or may empower the Chairman of the Board or the President to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.
- 5.4 <u>REMOVAL AND RESIGNATION OF OFFICERS</u>. Subject to the rights, if any, of an officer under any contract of employment, all officers serve at the pleasure of the Board of Directors and any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting of the Board of Directors or, except in the case of an officer chosen by

the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

- 5.5 <u>VACANCIES IN OFFICES</u>. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.
- 5.6 CHAIRMAN OF THE BOARD. The Chairman of the Board, if such an officer is elected, shall, if present, preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may from time to time be assigned by the Board of Directors or as may be prescribed by these Bylaws. If there is no President, then the Chairman of the Board shall also be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 5.7 of these Bylaws.
- 5.7 <u>PRESIDENT</u>. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the officers of the corporation. The President shall preside at all meetings of the shareholders and, in the absence or nonexistence of a Chairman of the Board, at all meetings of the Board of Directors. The President shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as the Board of Directors or these Bylaws may prescribe.
- 5.8 <u>VICE PRESIDENTS</u>. In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, a Vice President designated by the Board of Directors, shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors, these Bylaws, the President or the Chairman of the Board.
- 5.9 SECRETARY. The Secretary shall keep or cause to be kept, at the principal executive office of the corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of the Board of Directors, committees of directors and shareholders. The minutes shall show the time and place of each meeting, whether regular or special (and, if special, how authorized and the notice given), the names of those present at directors' meetings or committee meetings, the number of shares present or represented at shareholders' meetings, and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal executive office of the corporation or at the office of the corporation's transfer agent or registrar, as determined by resolution of the Board of Directors, a share register, or a duplicate share register, showing the names of all shareholders and their addresses, the number and classes of shares held by each, the number and date of certificates evidencing such shares, and the number and date of cancellation of every certificate surrendered for cancellation.

As required by law or by these Bylaws, the Secretary shall give, or cause to be given, notice of all meetings of the shareholders and of the Board of Directors. The Secretary shall keep the seal of the corporation, if one be adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

5.10 CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. The Chief Financial Officer shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and directors, whenever they request it, an account of all of his or her transactions as Chief Financial Officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

# ARTICLE VI INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

- 6.1 INDEMNIFICATION OF DIRECTORS. The corporation shall, to the maximum extent and in the manner permitted by the Code, indemnify each of its directors against expenses (as defined in Section 317(a) of the Code), judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding (as defined in Section 317(a) of the Code), arising by reason of the fact that such person is or was a director of the corporation. For purposes of this Article VI, a "director" of the corporation includes any person (i) who is or was a director of the corporation, (ii) who is or was serving at the request of the corporation as a director of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or (iii) who was a director of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.
- 6.2 <u>INDEMNIFICATION OF OTHERS</u>. The corporation shall have the power, to the extent and in the manner permitted by the Code, to indemnify each of its employees, officers, and agents (other than directors) against expenses (as defined in Section 317(a) of the Code), judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding (as defined in Section 317(a) of the Code), arising by reason of the fact that such person is or was an employee, officer, or agent of the corporation. For purposes of this Article VI, an

"employee" or "officer" or "agent" of the corporation (other than a director) includes any person (i) who is or was an employee, officer, or agent of the corporation, (ii) who is or was serving at the request of the corporation as an employee, officer, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or (iii) who was an employee, officer, or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

- 6.3 PAYMENT OF EXPENSES IN ADVANCE. Expenses and attorneys' fees incurred in defending any civil or criminal action or proceeding for which indemnification is required pursuant to Section 6.1, or if otherwise authorized by the Board of Directors, shall be paid by the corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined that the indemnified party is not entitled to be indemnified as authorized in this Article VI.
- 6.4 INDEMNITY NOT EXCLUSIVE. The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of shareholders or directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. The rights to indemnity hereunder shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.
- 6.5 <u>INSURANCE INDEMNIFICATION</u>. The corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against or incurred by such person in such capacity or arising out of that person's status as such, whether or not the corporation would have the power to indemnify that person against such liability under the provisions of this Article VI.
- 6.6 <u>CONFLICTS</u>. No indemnification or advance shall be made under this Article VI, except where such indemnification or advance is mandated by law or the order, judgment or decree of any court of competent jurisdiction, in any circumstance where it appears:
- (a) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, a resolution of the shareholders or an agreement in effect at the time of the accrual of the alleged cause of the action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.
- 6.7 <u>RIGHT TO BRING SUIT</u>. If a claim under this Article is not paid in full by the corporation within 90 days after a written claim has been received by the corporation (either because the claim is denied or because no determination is made), the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to be paid the expenses of prosecuting such claim. The corporation shall be entitled to raise as a defense to any such action that the claimant has not met

the standards of conduct that make it permissible under the Code for the corporation to indemnify the claimant for the claim. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is permissible in the circumstances because he or she has met the applicable standard of conduct, if any, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the claimant has not met the applicable standard of conduct, shall be a defense to such action or create a presumption for the purposes of such action that the claimant has not met the applicable standard of conduct.

- 6.8 INDEMNITY AGREEMENTS. The Board of Directors is authorized to enter into a contract with any director, officer, employee or agent of the corporation, or any person who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, or any person who was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation, providing for indemnification rights equivalent to or, if the Board of Directors so determines and to the extent permitted by applicable law, greater than, those provided for in this Article VI.
- 6.9 AMENDMENT, REPEAL OR MODIFICATION. Any amendment, repeal or modification of any provision of this Article VI shall not adversely affect any right or protection of a director or agent of the corporation existing at the time of such amendment, repeal or modification.

# ARTICLE VII RECORDS AND REPORTS

7.1 MAINTENANCE AND INSPECTION OF SHARE REGISTER. The corporation shall keep either at its principal executive office or at the office of its transfer agent or registrar (if either be appointed), as determined by resolution of the Board of Directors, a record of its shareholders listing the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation or who hold at least one percent (1%) of such voting shares and have filed a Schedule 14B with the United States Securities and Exchange Commission relating to the election of directors, shall have an absolute right to do either or both of the following (i) inspect and copy the record of shareholders' names, addresses, and shareholdings during usual business hours upon 5 days' prior written demand upon the corporation, or (ii) obtain from the transfer agent for the corporation, upon written demand and upon the tender of such transfer agent's usual charges for such list (the amount of which charges shall be stated to the shareholder by the transfer agent upon request), a list of the shareholders' names and addresses who are entitled to vote for the election of directors, and their shareholdings, as of the most recent record date for which it has been compiled or as of a date specified by the shareholder subsequent to the date of demand. The list shall be made available on or before the later of 5 business days after the demand is received or the date specified therein as the date as of which the list is to be compiled.

The record of shareholders shall also be open to inspection and copying by any shareholder or holder of a voting trust certificate at any time during usual business hours upon written demand on the corporation, for a purpose reasonably related to the holder's interests as a shareholder or holder of a voting trust certificate.

A shareholder or holder of a voting trust certificate may inspect and copy under this Section 7.1 in person or by an agent or attorney of said shareholder or holder of a voting trust certificate making the demand.

- 7.2 MAINTENANCE AND INSPECTION OF BYLAWS. The corporation shall keep at its principal executive office or, if its principal executive office is not in the State of California, at its principal business office in California, the original or a copy of these Bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in such state, then it shall, upon the written request of any shareholder, furnish to such shareholder a copy of these Bylaws as amended to date.
- 7.3 MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS. The accounting books and records and the minutes of proceedings of the shareholders and the Board of Directors, and committees of the Board of Directors shall be kept at such place or places as are designated by the Board of Directors or, in absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form, and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form.

The minutes and accounting books and records shall be open to inspection upon the written demand on the corporation of any shareholder or holder of a voting trust certificate at any reasonable time during usual business hours, for a purpose reasonably related to such holder's interests as a shareholder or as the holder of a voting trust certificate. A shareholder or holder of a voting trust certificate may make such inspection in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts. Such rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

- 7.4 INSPECTION BY DIRECTORS. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation and each of its subsidiary corporations, domestic or foreign. A director may make such inspection in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts.
- 7.5 ANNUAL REPORT TO SHAREHOLDERS; WAIVER. The Board of Directors shall cause an annual report to be sent to the shareholders not later than 120 days after the close of the fiscal year adopted by the corporation. Such report shall be sent to the shareholders at least 15 (or, if sent by third-class mail, 35) days prior to the annual meeting of shareholders to be held during the next fiscal year and in the manner specified in Section 2.5 of these Bylaws for giving notice to shareholders of the corporation.

The annual report shall contain a balance sheet as of the end of the fiscal year and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the corporation that the statements were prepared without audit from the books and records of the corporation.

If fewer than 100 holders of record hold the shares of the corporation then the foregoing requirement of an annual report shall be waived.

7.6 <u>FINANCIAL STATEMENTS</u>. If no annual report for the fiscal year has been sent to shareholders, then the corporation shall, upon the written request of any shareholder made more than 120 days after the close of such fiscal year, deliver or mail to the person making the request, within 30 days thereafter, a copy of a balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year.

A shareholder or shareholders holding at least 5% of the outstanding shares of any class of the corporation may make a written request to the corporation for an income statement of the corporation for the 3-month, 6-month or 9-month period of the current fiscal year ended more than 30 days prior to the date of the request and a balance sheet of the corporation as of the end of that period. The statements shall be delivered or mailed to the person making the request within 30 days thereafter. A copy of the statements shall be kept on file in the principal office of the corporation for 12 months and it shall be exhibited at all reasonable times to any shareholder demanding an examination of the statements or a copy shall be mailed to the shareholder. If the corporation has not sent to the shareholders its annual report for the last fiscal year, the statements referred to in the first paragraph of this Section 7.6 shall likewise be delivered or mailed to the shareholder or shareholders within 30 days after the request.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by the report thereon, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

7.7 REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The Chairman of the Board, the President, any Vice President, the Chief Financial Officer, the Secretary or Assistant Secretary of this corporation, or any other person authorized by the Board of Directors or the President or a Vice President, is authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority herein granted may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

### ARTICLE VIII GENERAL MATTERS

8.1 RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING. For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action (other than with respect to notice or voting at a shareholders meeting or action by shareholders by written consent without a meeting), the Board of Directors may fix, in advance, a record date, which shall not be more than 60 days prior to any such action. Only shareholders of record at the close of business on the record date are entitled to receive the dividend, distribution or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the Articles of Incorporation or the Code.

If the Board of Directors does not so fix a record date, then the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto or the 60<sup>th</sup> day prior to the date of that action, whichever is later.

- 8.2 <u>CHECKS</u>; <u>DRAFTS</u>; <u>EVIDENCES OF INDEBTEDNESS</u>. From time to time, the Board of Directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the corporation, and only the persons so authorized shall sign or endorse those instruments.
- 8.3 CORPORATE CONTRACTS AND INSTRUMENTS: HOW EXECUTED. The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.
- 8.4 CERTIFICATES FOR SHARES. A certificate or certificates for shares of the corporation shall be issued to each shareholder when any of such shares are fully paid. The Board of Directors may authorize the issuance of certificates for shares partly paid provided that these certificates shall state the total amount of the consideration to be paid for them and the amount actually paid. All certificates shall be signed in the name of the corporation by the Chairman of the Board or the Vice Chairman of the Board or the President or a Vice President and by the Chief Financial Officer or an Assistant Treasurer or the Secretary or an Assistant Secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be by facsimile.

In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on a certificate has ceased to be such officer, transfer agent or registrar before such

certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issue.

- 8.5 LOST CERTIFICATES. Except as provided in this Section 8.5, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation or its transfer agent or registrar and cancelled at the same time. The Board of Directors may, in case any share certificate or certificate for any other security is lost, stolen or destroyed (as evidenced by a written affidavit or affirmation of such fact), authorize the issuance of replacement certificates on such terms and conditions as the Board of Directors may require; the Board of Directors may require indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.
- 8.6 <u>CONSTRUCTION; DEFINITIONS</u>. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Code shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

## ARTICLE IX AMENDMENTS

- 9.1 AMENDMENT BY SHAREHOLDERS. New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth the number of authorized directors of the corporation, then the authorized number of directors may be changed only by an amendment of the Articles of Incorporation.
- 9.2 AMENDMENT BY DIRECTORS. Subject to the rights of the shareholders as provided in Section 9.1 of these Bylaws, Bylaws, other than a Bylaw or an amendment of a Bylaw changing the authorized number of directors (except to fix the authorized number of directors pursuant to a Bylaw providing for a variable number of directors), may be adopted, amended or repealed by the Board of Directors.
- 9.3 <u>RECORD OF AMENDMENTS</u>. Whenever an amendment or new Bylaw is adopted, it shall be copied in the book of minutes with the original Bylaws. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written consent was filed, shall be stated in said book.

## ARTICLE X INTERPRETATION

Reference in these Bylaws to any provision of the California Corporations Code shall be deemed to include all amendments thereof.

# SECRETARY'S CERTIFICATE OF ADOPTION OF BYLAWS OF CRYOPORT SYSTEMS, INC.

I, the undersigned, do hereby certify:

- That I am the duly elected and acting Secretary of CryoPort Systems, Inc., a California corporation.
- That the foregoing Bylaws constitute the Bylaws of said corporation as adopted by the Board of Directors of said corporation by unanimous written consent on December 11, 2000.

IN WITNESS WHEREOF, I have hereunto subscribed my name this  $11^{th}$  day of December 2000.

David Petreccia, Secretary

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## Corporate Code of Conduct for CryoPort Systems, Inc.

## A Message from the Chief Executive Officer

To our Employees:

A reputation for acting with integrity and fairness is one of our company's most valuable assets. Maintaining this reputation is one of the values that are a foundation of our company. For this reason, the company has established a Corporate Code of Conduct which requires us to conduct our business consistent with our values and in accordance with applicable laws. It sets forth guidelines to govern the way we operate and to help us exercise the highest degree of honesty and integrity in our corporate dealings with others. Doing the right thing begins with basic honesty and integrity. More than ever, it also depends on our good judgment and sensitivity to the way others see us and how they may interpret our actions. Each of us is responsible for our company's reputation. I am confident that you will join me in maintaining the honesty and integrity in our business so that our company is always and industry leader and a place where we are proud to work.

Peter Berry Chief Executive Officer

#### Overview

It is essential that in all contacts made by company employees with customers, shareholders, suppliers, governmental officials, fellow employees and the general public, that the highest standards of conduct be observed. To further this objective, CryoPort Systems, Inc. (the "Company") has put together this Code of conduct to be used in conducting the business affairs of the Company. If you have questions, comments or are aware of possible violations, please contact:

Peter Berry Chief Executive Officer CryoPort Systems, Inc. 451 Atlas Street Brea, CA 92821 714-256-6100

CryoPort Systems, Inc. reserves the right to amend, alter or terminate these policies at any time for any reason and without notice.

## Application of the Code of Conduct

It is the policy of the Company to comply with all applicable law; to act fairly, impartially, and in an ethical and proper manner. We expect our employees to do the same. Knowing and intentional violations of these policies may result in disciplinary action, up to and including

termination of employment. We encourage you to ask questions, seek guidance, and express concerns you may have. When in doubt, ask yourself: Will my action inspire trust? Is my action legal? If legal, is it also ethical? Are my actions honest in every respect? Is anyone's life, health or safety endangered by this action? Can I defend this action with a clear conscience before my supervisor, fellow employees, and the general public? Would my supervisor act this way? Would it be helpful to ask my supervisor about this matter before I act? Would I be proud to read my action in the newspaper?

#### Code of Conduct

CryoPort Systems, Inc. is committed to promoting integrity and maintaining the highest standard of ethical conduct in all of our activities. Our business success is dependent on trusting relationships, which are built on the foundation of integrity. Our reputation is founded on the personal integrity of the company's personnel and our dedication to:

- Honesty in communications, both within the company and with our suppliers and customers:
- Maintaining and protecting the company's and our customers' confidential information and trade secrets;
- · Providing first-class quality service to our customers;
- · Responsibility for our words and actions:
- Compassion in our relationships with our employees and the communities affected by our business;
- Fairness to our fellow employees, customers and supplier through compliance with all applicable laws and regulations; and
- Respect for our fellow employees, customers and suppliers while showing willingness to solicit their opinions and value their feedback.

#### Confidential Information

CryoPort Systems, Inc.'s confidential proprietary information is an important asset in the operation of its business and prohibits the unauthorized use of disclosure of this information. Our customers often entrust their confidential data to us and employees are prohibited from using or disclosing this information. CryoPort Systems, Inc. also requires its employees to fully comply with both the spirit and letter of U.S. and foreign laws and regulations governing the disclosure of proprietary information. Our success is dependent upon strict adherence by employees to this policy and all applicable standards and procedures.

To protect confidential information, it is company policy:

- Confidential information of the company or any customer should be disclosed within the company only on a need-to-know basis;
- Confidential information of the company or any customer (paper or electronic) must be marked in accordance with such instructions or other designations as may be required by the company or a customer from time to time;
- · Confidential information of the company should be disclosed outside the company only

when required by law or when necessary to further the company's business activities and in accordance with the company's disclosure guidelines.

## Competitive Information

Collecting information on our competitors from legitimate sources to evaluate the relative merits of their products, services, and marketing methods is a necessary part of business life. But there are limits t the ways this information should be acquired. Illegal practices, such as industrial espionage and stealing, are absolutely prohibited. It is also prohibited to seek confidential information in any manner which violates any contractual obligation or commitment. Any form of questionable intelligence gathering is strictly against company policy.

#### Conflicts of Interest

CryoPort Systems, Inc. employees have an obligation t give their complete loyalty to the best interests of the Company. They should avoid any action which may involve, or may appear to involve a conflict of interest with the company. Employees should not have any financial or other business relationships with suppliers, customers or competitors that might impair, or even appear to impair, the independence of any judgment they may need to make on behalf of the Company. Solicitation of vendors or employees for gifts or business favors is prohibited. Therefore, it is company policy that, without full disclosure to, and prior approval of, the Company's Board of Directors, employee may not:

- perform services for or have a financial interest in a private company that is, or may become a supplier, customer, or competitor of the company;
- perform services for or have a material interest (more than 5% net worth) in a publicly traded company, that is, or may become, a supplier, customer or competitor of the company; or
- perform outside work or otherwise engage in any outside activity or enterprise that may interfere in any way with job performance or create a conflict with the company's best interest.

Employees are under a continuing obligation to disclose to their supervisors and situation that presents the possibility of a conflict of interest between the employee and the Company. Disclosure of any potential conflict is the key to remaining in full compliance with this policy.

#### Customer, Supplier, and Competitor Relations

It is company policy to treat customers, business allies and suppliers fairly and not to engage in anticompetitive practices that unlawfully restrict the free market economy.

#### Bribes

CryoPort Systems, Inc.'s objective is to compete in the marketplace on the basis of superior products, services and competitive prices. No payment in any form shall be made directly or

indirectly to anyone for the purpose of obtaining or retaining business, or to obtain any other favorable action. A violation of this policy may subject the employee to disciplinary action as well as potential criminal prosecution.

#### Gifts

No gifts should be accepted from a supplier, vendor or customer unless the gift has insubstantial value and refusal to accept it would be discourteous or otherwise harmful to the company. Employees must receive approval from their supervisors before they accept any gift having a value over \$25.00. This applies equally to giving gifts to suppliers, customers or vendors.

#### Entertainment

Appropriate business entertainment of non-government employees occurring in connection with business discussions or the development of business relationships is generally deemed appropriate in the conduct of official business. This may include business-related meals and trips, refreshments before or after a business meeting, and occasional athletic, theatrical or cultural events. Entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted. This applies equally to giving or receiving entertainment.

## Government Representatives

What is acceptable practice in the commercial business environment may be against the law or the policies of federal, state or local governments. Therefore, no gifts or business entertainment of any kind may be given to any government employee without prior approval of the company's General Counsel, except for items of nominal value (i.e. pens, coffee mugs, etc.).

## Agreements with Competitors

Formal or informal agreements with competitors that seek to limit or restrict competition in some way are often illegal. Unlawful agreements include those which seek to fix or control prices; allocate products, markets or territories; or boycott certain customers or suppliers. To ensure compliance with antitrust law, discussions with competitors regarding any of these potential agreements is a violation of company policy and may be subject the employee to disciplinary action as well as the potential for criminal prosecution.

#### Delegation of Authority

Only employees who are specifically authorized by the Company's Board of Directors or Bylaws may commit the Company to others. A "commitment" includes the execution of any written agreement, the making of any oral agreement, or any other undertaking that obligates or binds the Company in any respect, whether or not it involves the payment of money. Employees must never execute a document or otherwise commit the Company unless they have clear authority to

do so. They should check with their supervisor to determine what authority limits have been delegated to them. Failure to follow this policy may subject the employee to disciplinary action.

## **Employee Relations**

It is the policy of CryoPort Systems, Inc. that all employees and supervisors, regardless of level, should strive to meet the following objectives:

- Respect each employee, worker and representative of customers, suppliers and contracts as an individual, showing courtesy and consideration and fostering personal dignity;
- Make a commitment to and demonstrate equal treatment of all employees, workers, customers, suppliers and contractors without regard of race, color, gender, religion, age, national origin, citizenship status, veteran status, sexual orientation or disability;
- Provide employment opportunities to qualified individuals with disabilities and veterans;
- Encourage employees to voice their opinions freely about the policies and practices of the company by communicating and practicing and open door policy;
- Provide a workplace free of harassment on the basis of race, color, gender, religion, age, national origin, citizenship status, veteran status, sexual orientation or disability;
- Keep employees generally informed of the policies, plans and progress of the company through regular communications;
- Afford employees a reasonable opportunity, consistent with the needs of the company, for training to become better skilled in their jobs;
- Encourage promotion from within, consistent with the needs of the company, whenever qualified employees are available;
- · Provide and maintain a safe, healthy and orderly workplace; and
- Assure uniformly fair compensation and benefit practices that will attract, reward and retain quality employees.

## **Equal Employment Opportunity**

It is the policy of CryoPort Systems, Inc. to ensure equal treatment for all employees and applicants, regardless of race, color religion, national origin, age, sex, sexual orientation, or mental/physical capacity. This policy applies to all company activities, including, but not limited to, recruiting, hiring, training, transfers, promotions and benefits.

#### Non-Harassment and Sexual Harassment

It is company policy to provide a workplace free from tensions involving matters that do not relate to the company's business. In particular, and atmosphere of tension created by ethnic, racial, sexual or religious remarks, unwelcome sexual advances, or requests for sexual favors, will not be tolerated. Harassment of employees, applicants, customers, contractors or suppliers by other employees is a violation of company policy. Harassment includes, without limitation, verbal harassment (epithets, derogatory statements, and slurs), physical harassment (hitting, pushing or other aggressive physical contact) and visual harassment (posters, cartoons, or

drawings). Harassment may be unlawful and is prohibited whether it occurs in the workplace, at customer or vender sites, or at other employment related events or activities. Unlawful sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and verbal or physical conduct of a sexual nature (1) when submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of employment; (2) or is used as a basis of employment decisions; or (3) when such conduct has the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile, humiliating or sexually offensive work environment.

While it is not possible to provide an exhaustive list of conduct that violates the Company's sexual harassment policy, what follows are examples of conduct which may constitute policy violations, regardless of intent: Sexual advances, requests for sexual favors, the exchange of sexual favors for actual or promised job benefit or salary enhancement, use of sexual epithets, inappropriate references to male or female anatomy, written or verbal references to sexual conduct, gossip regarding one's sexual activities or prowess, repeated requests for dates, leering, whistling or touching, inquires or comments about another's sex life, assault or coerced sexual activity, displaying sexually suggestive objects, pictures or cartoons or telling sexual jokes.

Employees who observe, learn or, or are subject to harassment, are responsible to immediately report the conduct to their human resources representative or the Board of Directors for prompt investigation. Investigations will be conducted in as discrete and as confidential a manner as is practicable. Retaliation against individuals who report such violations of policy, or against those who provide information in an investigation of such violations, is also a violation of policy. The company will act promptly and vigorously to take corrective action and appropriate discipline with respect to any harassment or retaliation, up to and including termination of offending individuals.

## **Environmental Compliance**

CryoPort Systems, Inc. is committed to conducting its business in compliance with all applicable environmental and workplace laws and regulations in a manner that has the highest regard for the safety and well-being of its employees and the general public. Therefore, the Company expects all employees to do their utmost to abide by the letter and spirit of these laws and regulations. These laws and regulations must be strictly followed. Employees with questions regarding the requirements that apply to their work area should contract their supervisor.

## **Insider Trading**

Each employee receives a copy the company's insider trading policy upon commencement of employment. A copy of this policy is attached as an addendum to this Code of Conduct and is made a part hereof.

## Regulation FD

The company has adopted a policy to comply with Regulation FD of the Securities and Exchange Commission. A copy of this policy is attached as an addendum to this Code of Conduct and is made a part hereof.

## Political Activity and Contributions

It is company policy that, without express prior approval of the Board of Directors, no corporate funds may be used to make a political contribution of any kind to any candidate or political party. This prohibition covers not only direct contributions but also indirect assistance or support of candidates or political parties through the purchase of tickets to special dinners or fund-raising events, and the furnishing of any other goods, services or equipment to political parties or committees. However, the policy does not prohibit the formation of a Political Action Committee sponsored by the company to the extent that federal and state law permits. Political contributions or activities by individuals on their own behalf are, of course, permissible. No person may be reimbursed direct or indirectly by the company for any political contribution or the cost of attending any political event.

### Record Management

The Accounting Department has company wide responsibility for developing, administering and coordinating the record management program and issuing retention guidelines for specific types of documents. Records should be maintained to comply with applicable statutory, regulatory or contractual requirements, as well as those pursuant to prudent business practices. Employees can conduct the Accounting Department for specific Information on record retention.

## Recording Transactions

CryoPort Systems, Inc. shall make and keep books, invoices, records and accounts that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company. Each employee shall maintain accurate and fair records of transactions, time reports, expense accounts, and other company records. The company shall devise and maintain a system of internal controls sufficient to provide reasonable assurances that transactions are properly authorized, executed, and recorded.

## Company Records

All company books, records, accounts, funds and assets must be maintained to reflect fairly and accurately the underlying transactions and disposition of company business in reasonable detail. No entries will be made that intentionally conceal or disguise the true nature of any company transaction. In this respect, the following guidelines must be followed:

 No undisclosed, unrecorded, or "offbook" funds or assets should be established for any purpose;

- No false or fictitious invoices should be paid or created:
- · No false or artificial entries should be made or misleading reports issued; and
- Assets and liabilities of the company shall be recognized and stated in accordance with the company's standard practices and GAAP.

If an employee believes that the company's books and records are not being maintained in accordance with these requirements, the employee should report the matter directly to their supervisor or the company's Chief Financial Officer or equivalent.

#### Reporting Violations of Company Policy

There are no easy answers to many ethical issues we face in our daily business activities. In some cases the right thing to do will be obvious, but in other more complex situations, it may be difficult for an employee to decide what do. When an employee is faced with a tough ethical decision of whenever they have any doubts as to the right thing to do, they should talk to someone else such as their supervisor, another manager, or the Chief Executive Officer.

CryoPort Systems, Inc. will not permit any form of retribution against any person, who, in good faith, reports known or suspected violations of company policy.

## Use of Company Assets

CryoPort Systems, Inc. assets are to be used only for the legitimate business purposes of the company and it subsidiaries and only by authorized employees or their designees. This includes both tangible and intangible assets. Some examples of tangible assets include company vehicles and office equipment, such as phones, copiers, computers, furniture and supplies.

CryoPort Systems, Inc.'s electronic mail (e-mail) system should be restricted primarily to company business. Highly confidential information should be handled appropriately. The Company reserves the right at any time to monitor and inspect without notice, all electronic communications data and information transmitted on the network and electronic files located on personal computers owned by the company or computers on the premises used in company business.

Third party software is provided as a productivity tool for employees to perform their job functions. Please note that, just because third party product or utility software is located on a corporate utility server, it does not necessarily mean that it is licensed for use as a stand-alone software product. Employees may be liable as individuals for illegal software use. To the extent permitted under applicable law, employees, contractors and temporary employees shall assign to the Company any invention, work of authorship, composition or other form of intellectual property created during the period of employment. Each employee shall execute an Assignment of Inventions and Confidentiality Agreement prior to commencing work for CryoPort Systems, Inc.

## CRYOPORT INC.

# Statement of Policy Regarding Securities Trades by Personal of the Company

#### Background

It should be understood by all employees, laws and regulations regarding insider trading are applicable to securities of public companies. These laws are important to maintain confidence in the marketplace and in our Company. Since the mid-1980's the Securities and Exchange Commission ("SEC") and the various U.S. Attorneys have been vigorously pursuing violations of federal insider trading laws. To date, these efforts have concentrated primarily on individuals directly involved in trading abuses. In 1988, however, in order to further deter insider trading violations, Congress expanded the authority of the SEC and the Justice Department by adopting the Insider Trading and Securities Fraud Enforcement Act (the "Insider Trading Act"). In addition to increasing the penalties for insider trading, this statute puts the onus on companies and possibly other "controlling persons" for violations by company personnel.

Although the Insider Trading Act was aimed primarily at the securities industry, the law also applies to companies in other industries. Since the completion of the reverse merger of CryoPort Systems, Inc., (the "Company") the Company's common stock has been publicly traded. As a result, the company must take active steps to adopt preventive policies and procedures covering securities trades by personnel of the Company and its subsidiaries.

In addition to responding to the Insider Trading Act, we are adopting this Policy Statement to avoid the appearance of improper conduct on the part of anyone employed by or associated with the Company (not jus so-called "insiders"). The Company management does this to protect the integrity and ethical conduct established by years of hard work by all employees of the Company.

#### The Consequences

As a result of the Insider Trading Act, Sarbarnes-Oxely Act, and other recent changes to the federal securities laws, the consequences of insider trading violations can be staggering:

For individuals who trade on insider information (or tip information to others):

- · A civil penalty of up to three times the profit gained or loss avoided;
- · A criminal fine (no matter how small the profit) of up to \$1 million; and
- · A jail term of up to ten years.

For a company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

· A civil penalty of the greater of \$1 million or three times the profit gained or loss

avoided as a result of the employee's violation; and

· A criminal penalty of up to \$2.5 million.

Moreover, if an employee violates this Policy Statement or procedures relating to this Policy Statement, sanctions, including dismissal for cause, could result. Needless to say, any of the above consequences, even SEC investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

## Our Policy

If a director, officer or any employee of the Company has material non-public information relating to the Company, it is our policy that neither that person nor any related person may buy or sell securities of the Company or engage in any other action to take advantage of, or pass on to others, that information. This policy also applies to information relating to any other company, including our customers or suppliers, obtained in the course of employment or a director's service as such.

- Material information. "Material information" is any information that a reasonable
  investor would consider important in a decision to buy, hold or sell stock. In short, any
  information that could reasonably affect the price of the stock.
- Examples. Common examples of information that will frequently be regarded as
  material are: financial results which have not been disclosed t the public, projections of
  future earnings or losses; news of a pending or proposed merger, acquisition or tender
  offer; news of a significant sale of assets or the disposition of a subsidiary; changes in
  dividend policies or the declaration of a stock split or the offering of additional
  securities; changes in management; significant new products or programs; and the gain
  or loss of a substantial customer or supplier.
- 20-20 Hindsight. Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.
- Transactions by Family Members. The very same restrictions described above apply to
  your family members and anyone else living in your household. Directors, officers and
  employees are expected to be responsible for compliance with the policy by members
  of their family and household.
- Tipping Information to Others. Whether the information is proprietary information
  about the Company or other information that could have an impact on the Company
  stock price, directors, officers and employees must not pass the information on to
  others. The above penalties apply whether or not you derive any benefit from another's
  actions. In fact, the SEC have imposed substantial monetary penalties on "Tippers"
  even though they did not profit from the tippee's trading.

### Permitted Trading Periods

In order to avoid the possibility or appearance of trading in the Company stock while in possession of inside information, it is the Company policy that no director, officer, or

employee of the Company may purchase, or sell or otherwise trade in the Company stock at any time other that during the 25 business day period beginning on the first business day following the release by the Company to the public of quarterly or annual financial results or other material information. For example, if the Company releases its annual financial results after the market close on Wednesday, June 3, you are permitted to trade on Friday, June 3, and thereafter for 24 business days.

#### Pre-Clearance of All Other Trades

If because of financial hardship or sudden emergency you wish to trade in Company stock other than during the "window" period, you must contact Peter Berry (or designated person in management) in advance and obtain pre-clearance of such trade. Please contact him <u>before</u> you contact your broker or take other steps to initiate the trade.

#### Additional Prohibited Transactions

Because we believe it is improper and inappropriate for any personal of the Company to engage in short-term or speculative transactions involving the Company's common stock, it is the policy of the Company that directors, officers and employees should not engage in any of the following activities with respect to securities of the Company:

- 1. "In and out" trading in securities of the Company. Any Company stock purchased in the open market must be held for a minimum of six months and ideally longer. (Note that the SEC's short-swing profit rule already effectively prohibits officers and directors from selling any stock of the Company within six months of a purchase. The Company is simply expanding this rule to cover all employees.) This policy, however, does not apply to stock option exercises, except to the extent required by the terms of the option; although the sale of stock purchased upon exercise of an option will have a different tax consequences, depending upon the length of time the stock was held.
- Short Sales (i.e., selling stock you do not own and borrowing the shares to make delivery).
- 3. Buying or selling puts or calls.

#### Assistance

Any person who has any questions about this Policy Statement or about specific transactions should contact Dee Kelly or Gary Cannon. Remember, however, that the ultimate responsibility for adhering t the Policy Statement and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.

## REGULATION FD POLICY

The Securities and Exchange Commission has adopted Regulation FD which became effective on October 23, 2000. Known as the "Fair Disclosure Rule," Regulation FD is designed to prohibit a publicly traded company from intentionally disclosing material inside information to analysts, investment advisors, broker-dealers and selected stockholders, unless the company simultaneously publicly discloses the same information. The rule also provides that if a publicly traded company unintentionally disclosed material inside information to such persons, the company must promptly publicly disclose the same information.

The purpose of this policy is to set forth guidelines to assist the company to comply with Regulation FD. This policy is in addition to, and does not replace, existing policies regarding the accuracy and material completeness of all public disclosure.

The following guidelines are hereby adopted:

- The Chief Executive Officer and/or the Chief Financial Officer shall be responsible for all press releases, disclosures, communications and correspondence to or with analysts, investment advisers, broker-dealers, the media and stockholders, and all inquires from such persons shall be directed to such officers. Such officers may designate a Director of Investor Relations or an outside professional firm to handle routine non-material communications with stockholders and others.
- Selective disclosure of material non-public information to analysts, investment advisers, broker-dealers and stockholders are prohibited. Examples of material information include: earnings information; mergers, acquisitions, tender offers, joint ventures or material changes in assets; material developments regarding material customers or suppliers (e.g., acquisition or loss of material contract); changes in control (whether proposed or actual); changes in auditors or auditor notification that the auditor's audit report may no longer be relied upon; events regarding the company's securities (e.g., stock buyback, split or dividend); and bankruptcies and receiverships.
- All press releases, speeches and investor materials should be reviewed prior to issuance to insure compliance with Regulation FD and the federal securities laws.

In implementing this policy, particular emphasis should be placed upon discussions regarding earnings guidance. In issuing Regulation FD, the SEC stated:

"When an issuer official engages in a private discussion with an analyst who is seeking guidance about earnings estimates, he or she takes on a high degree of risk under Regulation FD. If the issuer official communicates selectively to the analyst nonpublic information that the company's anticipated earnings will be higher than, lower than, or even the same as what analysts have been forecasting, the issuer will likely have violated Regulation FD. This is true whether the information about earnings is communicated expressly or through indirect "guidance," the meaning of which is apparent though implied. Similarly, an issuer cannot render material information immaterial simply by breaking it into ostensibly non-material pieces."

## CODE OF ETHICS OF CRYOPORT SYSTEMS, INC.

## For Principal Executive Officer and Senior Financial Officers

This Code of Ethics for Principal Executive Officer and Senior Financial Officers (the "Code") of CryoPort Systems, Inc. (the "Company") applies to the Company's principal executive officer, principal financial officer, principal accounting officer (or controller if there is no principal accounting officer) or persons performing similar functions designated by the Company's Board of Directors (the "Board") (collectively, the "Senior Officers"). Its purposes is to promote honest and ethical conduct and compliance with the law, particularly as related to the maintenance of the Company's financial records and the preparation of financial statements filed with the Securities and Exchange Commission. The Senior Officers must conduct themselves in accordance with the principles and responsibilities set forth in this Code. The obligations of this Code supplement, but do not replace, the Corporate Code of Conduct applicable to all employees, including Senior Officers

#### Each of the Officers shall:

- 1. The Senior Officers will exhibit and promote the highest standards of honest and ethical conduct through the establishment and operations of policies and procedures, including the Corporate Code of Conduct, that encourage and reward professional integrity in all aspects of our financial and business organization, by eliminating inhibitions and barriers to responsible behavior, such as coercion, fear of reprisal, or alienation from our financial organization or Company. The Senior Officers will demonstrate their personal support for such policies and procedures through periodic communication reinforcing these ethical standards throughout our finance and business organization.
- 2. The Senior Officers, especially the Senior Financial Officers, are responsible for full, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company with the Securities and Exchange Commission. Accordingly, it is the responsibility of each Senior Financial Officer to promptly bring to the attention of the Chief Executive Officer and the Board, or Disclosure Committee if there is one, any material information of which he or she may become aware that affects the disclosures made by the Company in its public filings or otherwise to assist the Chief Executive Officer and Board, or Disclosure Committee if there is one, in fulfilling their responsibility as specified in the Company's policies, Disclosure Committee Charter if there is one, and procedures regarding financial reporting and disclosure.
- Each Senior Officer shall promptly bring to the attention to the Chief Executive Officer and Board, or Disclosure Committee if there is one, and the Audit Committee any information he or she may have concerning (a) significant

deficiencies in the design or operations of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data, and (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.

- 4. Each Senior Officer shall promptly bring to the attention of the General Counsel and the Audit Committee any information he or she may have concerning any violation of the Company's Corporate Code of Conduct or this Code of Ethics, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who have a significant role in the Company's financial reporting, disclosure or internal controls.
- 5. Each Senior Officer shall promptly bring to the attention of the General Counsel and the Audit Committee any information he or she may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to the Company and the operation of its business, by the Company or any agent thereof.
- 6. The Board shall determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of the Corporate Code of Conduct or this Code of Ethics by the Senior Officers. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Corporate Code of Conduct and this Code of Ethics, and shall include written notices to the individual involved that the Board has determined that there has been a violation. Such notice shall also include if appropriate. censure by the Board, demotion and/or re-assignment of the individual involved, suspension with or without pay or benefits (as determined by the Board), or termination of the individual's employment. In determining what action is appropriate in a particular case, the Board, or such designee, shall take into account all relevant information, including the nature and severity of the violation; whether the violation was a single occurrence or repeated occurrences; whether the violation appears to have been intentional or inadvertent; whether the individual in question had been advised prior to the violation as to the proper course of action; and whether or not the individual in question had committed other violations in the past.

## CRYOPORT SYSTEMS, INC.

## STATEMENT OF POLICY ON SECURITIES TRADING BY COMPANY PERSONAL

#### INTRODUCTION

CryoPort Systems, Inc. (the Company) has adopted this Statement of Policy on Securities Trading by Company Personnel (Policy Statement) governing securities transactions by Company employees.

The Insider Trading and Securities Fraud Enforcement Act (the Act) authorizes the Securities and Exchange Commission (SEC) and the Justice Department to vigorously prosecute insider trading that is based on information acquired in the workplace and imposes substantial penalties on individuals for insider trading. In addition, the Act places direct responsibility on companies to monitor the securities transactions of their employees. Onerous penalties may be assessed against the Company for the insider trading violations of its employees. Accordingly, if the Company does not take active steps to adopt preventive policies and procedures covering securities transactions by Company personnel, the consequences could be severe.

The Company has also adopted this Policy Statement to avoid damage to its reputation for integrity and ethical conduct—an important corporate asset. We have all worked hard over the years to establish a reputation for observing the highest standards of conduct, and even the appearance of improper conduct must be avoided to preserve that reputation.

#### CONSEQUENCES OF INSIDER TRADING VIOLATIONS

The civil and criminal penalties for insider trading violations under the Act are as follows:

For individuals who trade on inside information (or who tip information to others):

A civil penalty of up to three times the profit gained or loss avoided;

A criminal fine (no matter how small the profit) of up to \$1 million; and

A maximum jail term of ten years.

For the Company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

A civil penalty of the greater of \$1 million or three times the profit gained (or loss avoided) as a result of the employee's violation; and

A maximum criminal penalty of \$2.5 million.

Moreover, any employee who fails to comply with any of the policies or procedures set forth in this Policy Statement may be disciplined or terminated, at the Company's sole discretion, whether or not the individual's failure to comply is a violation of law. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

In this regard, every employee is responsible for the actions of his or her immediate family and personal household. Prohibited securities transactions by an employee's spouse, for example, will have the same consequences as trading initiated directly by the employee.

#### PROHIBITED USE OF MATERIAL INFORMATION

If a director, officer, or any employee knows of material nonpublic information relating to the Company, it is our policy that neither that person nor any related person may buy or sell the Company's securities or engage in any other action to take advantage of, or pass on to others, that information. This policy also applies to material information relating to any other company, including our customers or suppliers, obtained in the course of employment.

For purposes of this Policy Statement, "material information" means any information that a reasonable investor would consider important in a decision to buy, hold, or sell stock of the Company or of any other company. In short, any information is material if it could reasonably affect the price of the stock.

Either positive or negative information may be material. Common examples of information that will frequently be regarded as material are:

Projections of future earnings or losses;

Earnings that are inconsistent with the consensus expectations of the investment community;

News of a pending or proposed merger, acquisition, or similar transaction;

News of a significant sale of assets or the disposition of a subsidiary;

Changes in dividend policies, the declaration of a stock split, or the offering of additional securities:

Changes in management;

Significant new products or discoveries;

Institution of, or changes in the status of, governmental investigations;

Impending bankruptcy or financial liquidity problems; and The gain or loss of a substantial customer or supplier.

Trading in the Company's securities for independent reasons such as the need to raise money for an emergency expenditure are not excepted from this policy. The securities laws do not recognize such mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

#### TRADING AFTER PUBLIC ANNOUNCEMENTS

It is also Company policy that, except as discussed below under "Preplanned Trading Programs," no Category I or Category II person (as defined in Annex A), nor anyone related to any such person, may enter into a trade immediately after the Company has publicly announced material information, including earnings releases. Because the Company's shareholders and the investing public should be allowed time to receive the information and digest it sufficiently, as a general rule such persons should not engage in any transactions until at least 48 hours after the information has been released. Moreover, because the Company's press releases are not always reported by the financial press, it may be necessary in certain situations for the Company to impose further trading delays until after the Company's press release has been mailed to and received by its shareholders.

#### PREPLANNED TRADING PROGRAM

A preplanned trading program, if properly structured and implemented, can be a better way to facilitate trading in the Company's securities than our regular system of trading windows and blackout periods. The Company, therefore, will permit trading in the Company's securities under preplanned trading programs that satisfy the requirements of SEC Rule 10b5-1 and the policies set forth in this policy statement.

All preplanned trading programs must be precleared with the Company as described below under "Preclearance of All Trades by Category I Persons." Once the preplanned trading program has been precleared, the actual transactions in the Company's securities effected under the program will not require any further clearance as long as there have been no modifications or changes to the program as precleared.

#### TIPPING INFORMATION TO OTHERS

Whether the information is proprietary information about the Company or information that could have an impact on the Company's stock price, employees must not pass it on to others. The penalties set forth above apply, whether or not you derive any benefit from someone else's actions. In one case, for example, the SEC imposed a \$470,000 penalty on a tipper even though he did not profit personally from his tippees' trading.

This policy also serves the Company's broader interest in preserving the confidentiality of its proprietary information.

#### STOCK OPTION EXERCISES

This Policy statement does not apply to the exercise of an employee or consultant option, or to the exercise of a tax withholding right under which you elect to have the Company withhold shares subject to an option to satisfy tax withholding requirements. The policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

#### GIFTS

A gift of Company securities to a family member, charitable organization, or any other person (including transfer to a family trust) should be precleared, as described below under "Preclearance of All Trades."

## SECTION 401(k) PLAN

This Policy Statement does not apply to your purchase of Company securities through a periodic contribution of funds deducted from your payroll. However, this Policy Statement will apply to certain elections in the Section 401(k) plan (when and if the Company adopts one) including (1) an election to make an intraplan transfer of an existing account balance into or out of the Company stock fund; (2) an election to increase or decrease the contribution rate allocated to the Company stock fund; (3) an election to use your Section 401(k) plan as collateral for a loan, if it may result in the liquidation of any Company stock held in the plan; and (4) your prepayment of a loan under the plan, if the prepayment will result in the allocation of proceeds to the Company stock fund.

## ADDITIONAL PROHIBITED TRANSACTIONS

Because we believe it is improper and inappropriate for any Company personnel to

engage in short-term or speculative transactions involving the Company's securities, it is the Company's policy that directors, officers, and employees should not engage in any of the following activities with respect to the Company's securities:

- 1. Trading on a short-term basis. Any Company securities purchased by an employee in the open market must be held for a minimum of 6 months and preferably longer. (Note that the SEC's short-swing profit rule requires disgorgement of profits made by officers and directors from selling any Company securities within 6 months of a purchase. For some of the same policy reasons, we are simply expanding this rule to all employees. However, the rule does not apply to stock option exercises and subsequent sales of the underlying securities, except to the extent required by law for officers and directors.)
- 2. Short selling. Employees may not enter an order to sell any Company securities with the intention of later purchasing the securities at a lower price to fulfill the sale. This prohibition extends to so-called short sales against the box, in which the employee may own the securities being sold, but may not deliver those securities to cover the sale order.
- 3. Publicly traded derivative securities. Transactions in publicly traded puts, calls, or other derivative securities of the Company (Derivative Securities), on an exchange or in any other organized market, are prohibited by this Policy Statement. Transactions in Derivative Securities are driven by short-term fluctuations of the Company's stock and may create an incentive for individuals to focus on short-term performance rather than long-term goals. Further, transactions in Derivative Securities, which are inherently speculative, may create the appearance that the individual is trading on inside information for a quick gain.
- 4. Hedging strategies. Hedging strategies achieved through the use of Derivative Securities or other financial instruments may allow an individual to maintain his or her holdings in the Company's stock without bearing the full risks and rewards of ownership. These hedging strategies may therefore create incentives that are inconsistent with the Company's and shareholders' best interests. You may not undertake such hedging strategies without first preclearing the proposed strategy and transactions with our Compliance Officer at least 2 weeks before entering into any agreement or obligation in connection with the hedging strategy. Our Compliance Officer is under no obligation to approve a hedging strategy or related transaction submitted for preclearance, and may decide not to permit the strategy or related transactions after review of the applicable legal considerations.
- 5. Encumbered securities and margin accounts. Company securities encumbered by a pledge, or otherwise hypothecated, and used as collateral for a loan or for the extension of credit may be foreclosed on and sold by the lender if the borrower defaults under the loan or credit arrangement. A broker may sell securities held in a margin

account if the customer fails to meet a margin call. A broker or lender may sell Company securities (1) during a blackout period, (2) when the individual is aware of material nonpublic information, (3) within 6 months of a purchase by the individual of Company securities, or (4) at a time the individual is otherwise not permitted to sell Company securities. As a result, you may not hold your Company securities in a margin account or encumber them in any way unless you preclear that arrangement or transaction with our Compliance Officer at least 2 weeks in advance. To receive preclearance for any pledge or encumbrance of Company securities, you must demonstrate the financial ability to repay the related loan without selling any Company security. Our Compliance Officer is under no obligation to preclear the proposed encumbrance of the Company securities, or their deposit in a margin account. This prohibition does not apply to any encumbrance of securities in effect before the adoption of this Policy Statement.

## PRECLEARANCE OF ALL TRADES BY CATEGORY I PERSONS

To provide assistance in preventing inadvertent insider trading violations and avoiding the appearance of an improper transaction (which could result, for example, when an officer engages in a trade while unaware of a pending major development), and also to comply with recent accelerated reporting requirements of insider transactions, the Company has implemented the following procedure:

All transactions in the Company's securities (acquisitions, dispositions, transfers, etc.) by Category I persons listed in Annex A must be precleared by the Company's general counsel or outside legal counsel. If you contemplate a transaction, you should contact \_\_[name]\_ \_ (our Compliance Officer) at least 2 business days in advance. Our Compliance Officer is under no obligation to approve a trade submitted for preclearance, and may decide not to permit the trade after review of the applicable legal considerations. This requirement does not apply to stock option exercises, but does cover market sales of option stock.

Category I persons are also subject to the black-out periods described below.

#### BROKER COORDINATION PROCEDURES

New accelerated reporting requirements of transactions under the Sarbanes-Oxley Act of 2002, which applies to directors and executive officers, will require effective coordination with brokers handling transactions for our directors and executives. A broker can help ensure compliance with our preclearance procedures and help prevent inadvertent violations.

All directors and executive officers and their brokers should sign the enclosed Broker Form, which requires the broker handling transactions in Company securities:

Not to enter any order (except for orders under preapproved Rule 10b5-1 plans) without:

- (1) First verifying with the Company that the transaction was precleared; and
- (2) Complying with the brokerage firm's compliance procedures (e.g., Rule 144).

To report immediately to the Company via:

- (1) Telephone; and
- (2) In writing (via e-mail or fax) the details of every transaction involving Company securities, including gifts, transfers, pledges, and all 10b5-1 transactions.

Each director and executive officer should sign, and also have his or her broker sign, the enclosed Broker Form and return it to us as soon as possible following receipt of this Policy Statement, so that we can establish with brokers a procedure for handling any trades in Company securities.

#### BLACK-OUT PERIODS FOR CATEGORY II PERSONS

Unless made under a Preplanned Trading Program as permitted above, all transactions in the Company's securities by Category II persons listed in Annex A can only be made during non-"black-out" periods. The standard non-black-out periods begin 48 hours after public release of quarterly or annual financial results and end at the close of trading on the 15th day in the month before the end of a fiscal quarter or fiscal year. See Annex B. Additional black-out periods also may be imposed by the Company on Category I or Category II persons or other employees to the extent necessary or desirable to comply with securities or other laws, and the Company will notify those persons in such an event. The Company generally will not disclose the reason for additional black-out periods.

Category II persons are responsible for contacting the Compliance Officer named in Annex A to ascertain when a non-black-out period exists.

#### TWENTY-TWENTY HINDSIGHT

If your securities transactions become the subject of investigation, they will be viewed by the SEC after the fact. Therefore, before engaging in any transaction, you may want to consult with your own attorney (in addition to clearing the transaction with the Company's general counsel or outside legal counsel) and consider how regulators and others might view the transaction in hindsight.

#### TRANSACTIONS BY FAMILY MEMBERS

The restrictions set forth in this Policy Statement apply to your family members and others living in your household, and any family member whose transactions in Company securities are directed by you or are subject to your influence or control (including those family members who consult with you before trading Company securities). Employees will be held responsible for compliance by those persons.

#### TRANSACTIONS AFTER TERMINATION

This Policy Statement will continue to apply after your termination as an employee, director, or consultant of the Company, so long as you are aware of any material nonpublic information, and until the end of any black-out period that is in effect at the time of termination.

#### COMPANY ASSISTANCE

Any person who has any questions about specific transactions may obtain additional guidance from the Company's general counsel or outside counsel. However, the ultimate responsibility for adhering to this Policy Statement and avoiding improper transactions rests with you. Therefore, it is imperative that you use good judgment with respect to all your transactions in the Company's securities.

#### ACKNOWLEDGMENT OF RECEIPT OF POLICY STATEMENT

Dear Employee:

Enclosed is a copy of CryoPort Systems, Inc.'s Statement of Policy on Securities Trading by Company Personnel (Policy Statement). As you will see from the Policy Statement, the consequences of an insider trading violation can be devastating to both the individual involved and the Company.

Please take a few minutes right now to read the enclosed Policy Statement and then sign and return the attached copy of this letter.

Sincerely,		
Peter Berry.	Chief Executive C	Officer

## ACKNOWLEDGMENT

그는 문지에 있으면 이렇게 되었다면 하면서 생각이 살았다면 하게 되었다. 그리고 하는 하는 하는 하는 하는데 그 나는 아니다.	acknowledges that he or she has [name of company] 's Statem	나는 아이들이 없어 하는데 그렇게 하면 하다가 하는데 하는데 하는데 하는데 하는데 하는데 하면 되었다. 이렇게 되었다.
	nnel, a copy of which was receive	
Date:	Signature:	
	Name:	(Please print)

## ANNEX A TO STATEMENT OF POLICY ON SECURITIES TRADING BY COMPANY PERSONNEL

Compliance Officer:
A. Category I Persons
1. All Officers:[names and titles]
2. All Directors:[names]
Other persons with potential access to inside information, e.g., all persons reporting directly to CEO:[names and titles]
B. Category II Persons
1. Key employees:[names and titles]
2. Employees who are manager-level and above:[names and titles]
3. All employees located at Company's principal executive office:[names and titles]
4. Other persons, if any:[names]

## ANNEX B TO STATEMENT OF POLICY ON SECURITIES TRADING BY COMPANY PERSONNEL

Calendar of Black-O	ut Periods	
[Date]		
[Need to indicate black-out period:	s]	
BROKER FORM		
The undersigned officer or director or her securities broker hereby acknown comply with the accelerated 2-day reports 2002:	wledge and agree to	the following in order to
Not to enter any order (except for without:	orders under preappro	oved Rule 10b5-1 plans)
(1) First verifying with the Company the	hat the transaction was	precleared; and
(2) Complying with the brokerage firm	n's compliance procedu	res (e.g., Rule 144).
To report immediately to the Compan	y via:	
(1) Telephone; and		
(2) In writing (via e-mail or fax) the securities, including gifts, transfers, pled		
In witness of which, each of the partindicated below.	ies has executed this a	greement as of the dates
OFFICER/DIRECTOR		
Date:	[Signature]	[Typed name]
SECURITIES BROKER		
Date:	[Signature]	[Typed name]
	[Firm name]	[Title]

## CHARTER OF THE INDEPENDENT AUDIT COMMITTEE

Of the Board of Directors of CRYOPORT SYSTEMS, INC.

## Purpose

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of CryoPort Systems, Inc. (the "Company") is established for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company in accordance with the Sarbanes-Oxely Act of 2002. The Committee is established to assist the Board in fulfilling its oversight responsibilities by reviewing and reporting to the Board on the integrity of the financial reports and other financial information provided by the Company to its shareholders. This charter specifies the scope and authority and responsibility of the Committee.

## Organization, Membership and Meetings

- The Committee shall be comprised of at least three directors who meet the independence, expertise and other qualification standards required by the federal securities laws and as may be required by the listing standards of the primary securities exchange upon which the Company's securities are traded.
- Members of the Committee shall be appointed annually by the Board. Members may be replaced by the Board at any time, but shall otherwise serve until a successor has been named.
- 3. The Committee shall meet at least four times a year, with the authority to convene additional meetings, as circumstances require. The Committee may invite members of management, independent auditors, legal counsel or others to attend meetings and to provide relevant information. At least annually, the Committee shall hold an executive session at which only independent directors and independent auditor are present.
- The Committee may form and delegate authority to subcommittees when appropriate, or to one or more members of the Committee.
- 5. The Committee may elect a Chairman of the Committee who, if elected, shall preside at all meetings. At all meetings of the Committee, a majority of the members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of the members of the Committee present at a meeting at which a quorum is in attendance shall be the act of the Committee. Members of the Committee may participate in any meeting by means of a conference telephone or similar communications equipment by means of which persons participating in the meeting can hear each other, and such participation shall constitute presence in the person at such meeting. The Committee shall maintain written minutes of its meetings, which minutes will be filed in the corporate minute book. Any person present at a meeting may be appointed by

## Committee Authority and Responsibilities

The Committee shall have the following responsibilities and duties:

### Independent Auditor Oversight

- Be directly responsible for the appointment, compensation, retention and
  oversight of the work of any independent auditor employed by the Company
  (including resolution of disagreements between management and the auditor
  regarding financial reporting) for the purpose of preparing or issuing an audit
  report or related work or performing other audit, review or attest services for
  the Company. Each independent auditor shall report directly to the Committee.
- Meet with the independent auditor prior to commencement of the audit and discuss the planning and staffing of the audit.
- 3. Approve in advance the engagement of the independent auditor for all audit services and non-audit services and approve the fees and other terms of any such engagement. The term "non-audit services" means any professional services provided to the Company by the independent auditor, other than those provided to the Company in connection with an audit or a review of the financial statements of the Company.
- 4. Obtain periodically from the independent auditor a formal written statement of the matters required to be discussed by Statement of Auditing Standards No. 61, as amended, and, in particular, describing all relationships between the auditor and the Company, and discuss with the auditor any disclosed relationships or services that may impact auditor objectivity and independence.
- Evaluate annually the qualifications and independence of the independent auditor.
- 6. Review with the independent auditor:
  - a. Any significant difficulties encountered by the independent auditor during the course of the audit; any restrictions on the scope of work or access to required information; and any significant disagreement among management and the independent auditor in connection with the preparation of the financial statements.
  - Any material accounting adjustments identified by the independent auditor
  - c. Any material communications between the audit team and the auditor's national office regarding auditing or accounting issues arising in connection with preparation of the financial statements.
  - d. If applicable, any Management Representation letter or Internal Control Recommendation letter or Schedule of Unadjusted Differences issued, or proposed to be issued, by the auditor or the Company and management's response.

## Financial Information Oversight

#### 1. Review:

- a. The Company's annual audited financial statements.
- Any certification, report, opinion or review rendered by the independent auditor to the Committee.
- c. The Company's disclosure in its Annual Report on Form 10-K and Quarterly Report on Form 10-Q under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
- Earnings press releases.
- 2. Discuss with management and the independent auditor:
  - a. The selection, application and disclosure of the critical accounting policies and practices used by the Company, as the same are identified by management or the independent auditor, and any changes thereto and the ramifications of such changes and, if applicable, the treatment preferred by the independent auditor.
  - b. The evaluative criteria identified by management and used in their selection of critical accounting principles and methods.
  - c. Any significant judgments made in management's preparation of the financial statements, as so identified by management or the independent auditor, and the view of each as to the appropriateness of such judgments.
  - d. Any off-balance sheet or structured finance transactions and their effect of the Company's financial results and operations, as well as the disclosure regarding such transactions in the Company's public filings.
  - e. The effect of regulatory and accounting initiatives and improvements identified by management or the independent auditor and the potential impact upon the Company's auditing and accounting principles and practices.
  - f. Any correspondence with regulators or governmental agencies that raise material issues regarding the Company's financial statements or accounting policies.
  - g. Any employee complaints that raise material issues regarding the Company's financial statements or accounting policies.
  - h. Report to the Board regarding any audit opinions that contain "going concern" qualifications.
  - Approve all filings with the Securities and Exchange Commission containing the Company's financial statements, including but not limited to the Quarterly Reports on Form 10-Q and the Annual Report on Form 10-K.
  - j. Recommend to the Board whether the audited financial statements should be included in the Company's annual report on Form 8-K.

#### Controls Oversight

- Review and discuss annually with management and the independent auditor its assessment of the effectiveness of the Company's internal controls, disclosure controls and procedures for financial reporting.
  - Review annually with the independent auditor the attestation to, and report on, the assessment of controls made by management.

- b. Consider whether any changes to the internal controls or disclosure controls processes and procedures are appropriate in light of management's assessment or the independent auditor's report.
- 2. If the Company has an internal auditor: (i) the internal auditor shall report directly to the Audit Committee; (ii) the Audit Committee shall review the scope and plans of any internal audit recommended by the internal auditor; (iii) the internal auditor shall report directly to the Audit Committee with the results of all internal audits; (iv) the Audit Committee shall review with the internal auditor all recommendations made by the internal auditor as the result of any internal audit; and (v) the Audit Committee shall review with management the implementation of such recommendations by the Company.
- Request the principal executive and financial officers of the Company to report on and review:
  - a. All significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process summarize, and report financial data and any material weaknesses in internal controls.
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

#### Legal Compliance and Ethics Oversight

- Review and approve all related-party transactions after reviewing each such transaction for potential conflicts of interests and improprieties.
- Review procedures for receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- 3. Adopt a Code of Ethics for senior financial officers and provide for and review prompt disclosure to the public of any change in, or waiver of such Code of Ethics. Review conduct alleged to be in violation of such Code of Ethics and adopt as necessary or appropriate, remedial, disciplinary, or other measures with respect to such conduct.

### Other Matters Oversight

- Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures and the process by which risk assessment and management is undertaken and handled.
- Prepare the Committee's report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
- Regularly report to the Board on the Committee's activities, recommendations and conclusions.
- Review and reassess the Charter's adequacy at least annually.
- Review its own performance, at least annually, for purposes of self-evaluation and to encourage the continuing improvement of the Committee in the execution of its responsibilities.

## General and Resources

- Have the authority to engage, and pay the fees and expenses of, independent counsel, advisors and experts deemed necessary, as determined by the Committee, to permit the Committee to perform its duties under this charter. The fees and expenses of these counsel, advisors and experts shall be paid by the Company, and the Company shall provide all other funding necessary for the Committee to perform its functions and responsibilities.
- At its discretion, have the authority to initiate special investigations, and, if appropriate, hire special legal, accounting or other outside advisors or experts to assist the Committee, to fulfill its duties under this charter.
- Also perform such other activities consistent with this charter, the Company's Bylaws and governing law, as the Committee and the Board deems necessary or appropriate.

## CRYOPORT SYSTEMS, INC. 2002 STOCK INCENTIVE PLAN

## ARTICLE I INTRODUCTION

The Plan was adopted by the Board effective October 1, 2002. The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Employees, Outside Directors and Consultants to focus on critical long range objectives, (b) encouraging the attraction and retention of Employees, Outside Directors and Consultants with exceptional qualifications and (c) linking Employees, Outside Directors and Consultants directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Restricted Shares or Options (which may constitute incentive stock options or non-statutory stock options). The Plan shall be governed by, and construed in accordance with, the laws of the State of California.

#### ARTICLE II ADMINISTRATION

- 2.1 <u>Committee Appointment and Composition</u>. The Board shall administer the Plan until such time as the Board appoints a Committee of the Board to administer the Plan. References to the Committee herein include the Board until the Board appoints a Committee to act hereunder.
- 2.2 <u>Committee Responsibilities</u>. The Committee shall (a) review management's recommendation as to the Employees, Outside Directors and Consultants who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) interpret the Plan and (d) make all other decisions relating to the operation of the Plan. The Committee may adopt such rules or guidelines as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final and binding on all persons.
- 2.3 <u>Committee for Non-Officer Grants.</u> The Board may also appoint a secondary committee of the Board, which shall be composed of one or more directors of the Company who need not satisfy the requirements of Section 2.1. Such secondary committee may administer the Plan with respect to Employees and Consultants who are not considered officers or directors of the Company under Section 16 of the Exchange Act or covered employees under Section 162(m)(3) of the Code, may grant Awards under the Plan to such Employees and Consultants and may determine all features and conditions of such Awards. Within the limitations of this Section 2.3, any reference in the Plan to the Committee shall include such secondary committee.

#### ARTICLE III SHARES AVAILABLE FOR GRANTS

3.1 <u>Basic Limitation</u>. Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Options and Restricted Shares awarded under the Plan shall not exceed Five Million (5,000,000) shares of Common Shares. The limitations of this Section shall be subject to adjustment pursuant to Article VIII.

3.2	additional Shares. If Options are forfeited or terminated for any reason before being exercised, then the corresponding Common Shares shall again become
available for the gra	nt of Options or Restricted Shares under the Plan. If Restricted Shares or Common Shares issued upon the exercise of Options are forfeited, then such
Common Shares sha	ll again become available for the grant of NSOs and Restricted Shares under the Plan. The aggregate number of Common Shares that may be issued under
the Plan upon the ex	ercise of ISOs shall not be increased when Restricted Shares or other Common Shares are forfeited.

## ARTICLE IV ELIGIBILITY

- 4.1 <u>Non-Statutory Stock Options and Restricted Shares.</u> Only Employees, Outside Directors and Consultants shall be eligible for the grant of NSOs and Restricted Shares.
- 4.2 <u>Incentive Stock Options</u>. Only Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the requirements set forth in Section 422(c)(5) of the Code are satisfied.

#### ARTICLE V OPTIONS

- 5.1 Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical. Options may be granted in consideration of a reduction in the Optionee's other compensation. A Stock Option Agreement may provide that a new Option will be granted automatically to the Optionee when he or she exercises a prior Option and pays the Exercise Price in the form described in Section 6.2.
- 5.2 Number of Shares. Each Stock Option Agreement shall specify the number of Common Shares subject to the Option and shall provide for the adjustment of such number in accordance with Article VIII.
- 5.3 Exercise Price. Each Stock Option Agreement shall specify the Exercise Price; provided, however, that the Exercise Price of an ISO shall in no event be less than 100% of the Fair Market Value of a Common Share on the date of grant. In the case of an NSO, a Stock Option Agreement may specify an Exercise Price that varies in accordance with a predetermined formula while the NSO is outstanding.

- Vesting, Exercisability and Term. The total number of shares of stock subject to an Option may, but need not, be allotted in periodic installments (which may, but need not, be equal). The Stock Option Agreement may provide that from time to time during each of such installment periods, the Option may become exercisable ("vest") with respect to some or all of the shares allotted to that period. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria), as the Board may deem appropriate. The Stock Option Agreement shall also specify the term of the Option; provided, however, that the term of an ISO shall in no event exceed 10 years from the date of grant. A Stock Option Agreement may provide for accelerated exercisability in the event of the Optionee's death, disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's service with the Company.
- 5.5 Effect of Change in Control. Notwithstanding Section 5.4 above, upon the specific approval of the Board and inclusion in the Stock Option Agreement, an Option may automatically fully vest (i.e., become exercisable) as to all or part of the Common Shares subject to such Option in the event that a Change in Control (as defined in Section 14.4 below) occurs with respect to the Company unless the acquiring corporation shall expressly assume the obligations to issue (a) that number of shares of its common stock having a value as of the closing date of the acquisition equal to the value of the Common Shares that may be purchased on the exercise of all of the Options and (b) at the same exercise price as the Options.
- 5.6 <u>Modification or Assumption of Options</u>. Within the limitations of the Plan, the Committee may modify, extend or assume outstanding options or may accept the cancellation of outstanding options (whether granted by the Company or by another issuer) in return for the grant of new options for the same or a different number of shares and at the same or a different exercise price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, alter or impair his or her rights or obligations under such Option.
- 5.7 <u>Buyout Provisions.</u> The Committee may at any time (a) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optione to elect to cash out the vested portion of an Option previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

#### ARTICLE VI PAYMENT FOR OPTION SHARES

- 6.1 <u>General Rule</u>. The entire Exercise Price of Common Shares issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such Common Shares are purchased, except as follows:
  - (a) In the case of an ISO granted under the Plan, payment shall be made only pursuant to the express provisions of the applicable Stock Option Agreement. The Stock Option Agreement may specify that payment may be made in any form(s) described in this Article VI.

- (b) In the case of an NSO, the Committee may at any time accept payment in any form(s) described in this Article VI.
- 6.2 <u>Surrender of Stock.</u> To the extent permitted in the applicable Stock Option Agreement, all or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Common Shares that are already owned by the Optionee. Such Common Shares shall be valued at their Fair Market Value on the date when the new Common Shares are purchased under the Plan. The Optionee shall not surrender, or attest to the ownership of, Common Shares in payment of the Exercise Price if such action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to the Option for financial reporting purposes.
- 6.3 <u>Exercise/Sale</u>. To the extent permitted in the applicable Stock Option Agreement, all or any part of the Exercise Price and any withholding taxes may be paid by delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or part of the Common Shares being purchased under the Plan and to deliver all or part of the sales proceeds to the Company.
- 6.4 <u>Exercise/Pledge</u>. To the extent permitted in the applicable Stock Option Agreement, all or any part of the Exercise Price and any withholding taxes may be paid by delivering (on a form prescribed by the Company) an irrevocable direction to pledge all or part of the Common Shares being purchased under the Plan to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company.
- 6.5 <u>Promissory Note</u>. To the extent permitted in the applicable Stock Option Agreement, all or any part of the Exercise Price and any withholding taxes may be paid by delivering (on a form prescribed by the Company) a full-recourse promissory note. However, the par value of the Common Shares being purchased under the Plan, if newly issued, shall be paid in cash or cash equivalents.
- 6.6 Other Forms of Payment. To the extent that this Section 6.6 is applicable, all or any part of the Exercise Price and any withholding taxes may be paid in any other form that is consistent with applicable laws, regulations and rules.

#### ARTICLE VII RESTRICTED SHARES

- 7.1 Restricted Stock Agreement. Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Stock Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Stock Agreements entered into under the Plan need not be identical.
- 7.2 <u>Payment for Awards</u>. Subject to the following sentence, Restricted Shares may be sold or awarded under the Plan for such consideration as the Committee may determine, including (without limitation) cash, cash equivalents, full-recourse promissory notes, and past services. To the extent that an Award consists of newly issued Restricted Shares, the Award recipient shall furnish consideration with a value not less than the par value of such Restricted Shares in the form of cash, cash equivalents or past services rendered to the Company (or a Parent or Subsidiary), as the Committee may determine.

- 7.3 <u>Vesting Conditions</u>. The Restricted Stock Agreement shall specify the period over which the Restricted Shares shall vest. A Restricted Stock Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. Upon the specific approval of the Board and inclusion in the Restricted Stock Agreement, all Restricted Shares shall become vested in the event that a Change in Control (as defined in Section 14.4) occurs with respect to the Company.
- 7.4 <u>Voting and Dividend Rights</u>. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders. A Restricted Stock Agreement, however, may require that the holders of Restricted Shares invest any cash dividends received in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were paid.

## ARTICLE VIII PROTECTION AGAINST DILUTION

- Adjustments. In the event of a subdivision of the outstanding Common Shares, a declaration of a dividend payable in Common Shares, a declaration of a dividend payable in a form other than Common Shares in an amount that has a material effect on the price of Common Shares, a combination or consolidation of the outstanding Common Shares (by reclassification or otherwise) into a lesser number of Common Shares, a recapitalization, a spin-off or a similar occurrence, the Committee shall make such adjustments as it, in its sole discretion, deems appropriate in one or more of the (a) number of Options and Restricted Shares available for future Awards under Article III, (b) limitations set forth in Section 3.2, (c) number of Common Shares covered by each outstanding Option or (d) Exercise Price under each outstanding Option. Except as provided in this Article VIII, a Participant shall have no rights by reason of any issue by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.
- 8.2 <u>Dissolution or Liquidation</u>. To the extent not previously exercised, Options shall terminate immediately prior to the dissolution or liquidation of the Company.
- 8.3 Reorganizations. In the event that the Company is a party to a merger or other reorganization, outstanding Options and Restricted Shares shall be subject to the agreement of merger or reorganization. Such agreement shall provide for (a) the continuation of the outstanding Awards by the Company, if the Company is a surviving corporation, (b) the assumption of the outstanding Awards by the surviving corporation or its parent or subsidiary, (c) the substitution by the surviving corporation or its parent or subsidiary of its own awards for the outstanding Awards, (d) full exercisability or vesting and accelerated expiration of the outstanding Awards or (e) settlement of the full value of the outstanding Awards in cash or cash equivalents followed by cancellation of such Awards.

## ARTICLE IX DEFERRAL OF DELIVERY OF SHARES

The Committee (in its sole discretion) may permit or require an Optionee to have Common Shares that otherwise would be delivered to such Optionee as a result of the exercise of an Option converted into amounts credited to a deferred compensation account established for such Optionee by the Committee as an entry on the Company's books. Such amounts shall be determined by reference to the Fair Market Value of such Common Shares as of the date when they otherwise would have been delivered to such Optionee. A deferred compensation account established under this Article IX may be credited with interest or other forms of investment return, as determined by the Committee. An Optionee for whom such an account is established shall have no rights other than those of a general creditor of the Company. Such an account shall represent an unfunded and unsecured obligation of the Company and shall be subject to the terms and conditions of the applicable agreement between such Optionee and the Company. If the conversion of Options is permitted or required, the Committee (in its sole discretion) may establish rules, procedures and forms pertaining to such conversion, including (without limitation) the settlement of deferred compensation accounts established under this Article IX.

### ARTICLE X AWARDS UNDER OTHER PLANS

The Company may grant awards under other plans or programs. Such awards may be settled in the form of Common Shares issued under this Plan. Such Common Shares shall be treated for all purposes under the Plan like Restricted Shares and shall, when issued, reduce the number of Common Shares available under Article III.

#### ARTICLE XI LIMITATION ON RIGHTS

- 11.1 No Effect on Employment. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain an Employee, Outside Director or Consultant. The Company and its Parents, Subsidiaries and Affiliates reserve the right to terminate the service of any Employee, Outside Director or Consultant at any time, with or without cause, subject to applicable laws, the Company's articles of incorporation and bylaws and a written employment agreement (if any).
- 11.2 <u>Stockholders' Rights.</u> A Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Common Shares covered by his or her Award prior to the time when a stock certificate for such Common Shares is issued or, in the case of an Option, the time when he or she becomes entitled to receive such Common Shares by filing a notice of exercise and paying the Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan.

11.3 <u>Regulatory Requirements.</u> Any other provision of the Plan notwithstanding, the obligation of the Company to issue Common Shares under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Common Shares pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Shares, to their registration, qualification or listing or to an exemption from registration, qualification or listing.

#### ARTICLE XII WITHHOLDING TAXES

- 12.1 <u>General</u>. To the extent required by applicable federal, state, local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company shall not be required to issue any Common Shares or make any cash payment under the Plan until such obligations are satisfied.
- 12.2 Share Withholding. The Committee may permit a Participant to satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any Common Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Common Shares that he or she previously acquired. Such Common Shares shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash.

#### ARTICLE XIII FUTURE OF THE PLAN

- 13.1 Term of the Plan. The Plan, as set forth herein, shall become effective on October 1, 2002. The Plan shall remain in effect until it is terminated under Section 13.2, except that no ISOs shall be granted on or after the 10<sup>th</sup> anniversary of the later of (a) the date when the Board adopted the Plan or (b) the date when the Board adopted the most recent increase in the number of Common Shares available under Article III which was approved by the Company's stockholders.
- 13.2 <u>Amendment or Termination</u>. The Board may, at any time and for any reason, amend or terminate the Plan. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

## ARTICLE XIV DEFINITIONS

- 14.1 "Affiliate" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.
- 14.2 "Award" means any award of an Option or a Restricted Share under the Plan.

- 14.3 "Board" means the Company's Board of Directors, as constituted from time to time.
- 14.4 "Change in Control" shall mean:
  - (a) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization;
  - (b) The sale, transfer or other disposition of all or substantially all of the Company's assets; or
  - (c) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least 50% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this subsection (c), the term "person" shall have the same meaning as when used in Sections 13(d) and 14(d) of the Exchange Act but shall exclude (i) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Parent or Subsidiary and (ii) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

- "Code" means the Internal Revenue Code of 1986, as amended.
- "Committee" means a committee of the Board, as described in Article II.
- 14.7 "Common Share" means one share of Common Stock, no par value per share, of the Company.
- 14.8 "Company" means Cryoport Systems, Inc., a California corporation.
- 14.9 "Consultant" means a consultant or adviser who provides bona fide services to the Company, a Parent, a Subsidiary or an Affiliate as an independent contractor. Service as a Consultant shall be considered employment for all purposes of the Plan, except as provided in Section 4.2.

- 14.10 "Employee" means a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate.
- 14.11 "Exchange Act" means the Securities Exchange Act of 1934, as amended.
- 14.12 "Exercise Price" means the amount for which one Common Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement.
- 14.13 "Fair Market Value" means the market price of Common Shares, determined by the Committee in good faith on such basis as it deems appropriate. Whenever possible, the determination of Fair Market Value by the Committee shall be based on the prices reported in The Wall Street Journal. Such determination shall be conclusive and binding on all persons.
  - 14.14 "ISO" means an incentive stock option described in Section 422(b) of the Code.
  - 14.15 "NSO" means a stock option not described in Section 422 of the Code.
  - 14.16 "Option" means an ISO or NSO granted under the Plan and entitling the holder to purchase Common Shares.
  - 14.17 "Optionee" means an individual or estate who holds an Option.
- 14.18 "Outside Director" shall mean a member of the Board who is not an Employee. Service as an Outside Director shall be considered employment for all purposes of the Plan, except as provided in Section 4.2.
- 14.19 "Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.
  - 14.20 "Participant" means an individual or estate who holds an Award.
  - 14.21 "Plan" means this Cryoport Systems, Inc. 2002 Stock Incentive Plan, as amended from time to time.
  - 14.22 "Restricted Share" means a Common Share awarded under the Plan.
- 14.23 "Restricted Stock Agreement" means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Share.
- 14.24 "Stock Option Agreement" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.

14.25	"Subsidiary"	means any corporation (other	r than the Company)	in an unbroken ch	ain of corporation	ns beginning wit	th the Company, if	each of the
corporations other th	an the last cor	poration in the unbroken chair	n owns stock possess	sing 50% or more of	of the total combi	ned voting pow	er of all classes of	stock in one of the
other corporations in	such chain. A	corporation that attains the st	atus of a Subsidiary	on a date after the	adoption of the P	lan shall be con	sidered a Subsidiar	y commencing as of
such date.								

## ARTICLE XV EXECUTION

To record the adoption of the Plan by the Board, the Company has caused its duly authorized officer to execute this document in the name of the Company.

CRYOPORT SYSTEMS, INC.

By: /s/ PATRICK L. MULLENS
Name: Patrick L. Mullen
Title: Chairman of the Board

Date of approval by shareholders: October 1, 2002

#### CRYOPORT SYSTEMS, INC. STOCK OPTION AGREEMENT (INCENTIVE STOCK OPTION)

This Stock Option Agreement (the "Agreement") is made and entered into effective as of the date set forth on the Signature Page attached hereto by and between Cryoport Systems, Inc., a California corporation (the "Company"), and that person identified on the Signature Page attached hereto (the "Optionee"). This option is intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code, as amended (the "Code").

The grant hereunder is in connection with and in furtherance of the Company's compensatory benefit plan for participation by the Company's employees (including officers), directors or consultants. Defined terms not explicitly defined in this agreement but defined in the Cryoport Systems, Inc. 2002 Stock Incentive Plan (the "Plan") shall have the same definitions as in the Plan.

- 1. Grant of Option. Subject to the vesting provisions of Sections 3 and 4, the Company hereby grants to Optionee, as of the date hereof the right and option to purchase, on the terms and conditions hereinafter set forth, all or any part of the aggregate number of shares of Common Shares set forth on the Signature Page attached hereto (the "Option"), subject to adjustment in accordance with the provisions of Section 18 below. The Plan provides for the issuance of Incentive Stock Options ("ISO"). Subject to Section 25, it is understood and acknowledged that (a) if the Optionee complies with the terms of this Agreement, (b) the Option was designated as an ISO at the time of grant and (c) the Optionee is an employee of the Company at all times from the date of this Agreement through the date which is three (3) months prior to the exercise of the Option, the Option is intended to be an Incentive Stock Option which will qualify under Section 422(b) of the Code.
- 2. <u>Purchase Price</u>. The Purchase Price is 100% of the fair market value of the Common Shares at the time that the Option is granted (110% of such fair market value if the Option is granted to a 10% shareholder).
- 3. <u>Right to Exercise</u>. The right to exercise the Option shall vest in accordance with the schedule set forth on the Signature Page. Notwithstanding the foregoing, the Option shall automatically fully vest (i.e., become exercisable) as to all of the Common Shares subject to the Option in the event that a Change in Control (as defined in Section 14.4 of the Plan) occurs with respect to the Company, subject to the limitations set forth in Section 14.4 of the Plan.
- 4. <u>Securities Law Requirements.</u> No part of the Option shall be exercised if counsel to the Company determines that any applicable registration requirement under the Securities Act of 1933, as amended, or any other applicable requirement of Federal or state law has not been met.

- 5. Term of Option. The Option shall terminate in any event on the earliest of (a) the date set forth on the Signature Page, (b) the expiration of the period described in Section 6 below, (c) the expiration of the period described in Section 7 below, (d) the expiration of the period described in Section 8 below; (e) the expiration of the period described in Section 9 below; or (f) the expiration of ten (10) years (five (5) years in the case of an Option granted to a 10% shareholder) from the date the Option was granted.
- 6. Exercise Following Termination of Employment, Except By Death, Disability or Retirement. If the Optionee's service with the Company terminates for any reason other than death, disability or retirement, the Option (to the extent it has not previously been exercised and is then exercisable) may be exercised within the period of thirty (30) consecutive days commencing immediately following the date of such termination (but not later than the termination date set forth in Section 5(a) above). The foregoing notwithstanding, the Option shall cease to be exercisable on the date of such termination if the termination is for cause. For this purpose, "cause" shall mean conviction of a felony, misappropriation of assets of the Company or any subsidiary, continued or repeated insobriety, continued or repeated absence from service during the usual working hours of the Optionee's position for reason other than disability or sickness, or refusal to carry out the reasonable directions of the Company's Board of Directors or senior executive officers.
- 7. Exercise Following Death. If the Optionee's service with the Company terminates by reason of the Optionee's death, or if the Optionee dies after termination of service but while the Option would have been exercisable hereunder, the Option (to the extent it has not previously been exercised and is then exercisable) may be exercised within six (6) months after the date of Optionee's death (but not later than the termination date set forth in Section 5(a) above). The exercise may be made by Optionee's representative or by the person entitled thereto under Optionee's will or the laws of descent and distribution; provided that such representative or such person consents in writing to abide by and be subject to the terms of this Agreement and such writing is delivered to the President of the Company.
- 8. <u>Exercise Following Disability.</u> If the Optionee's service with the Company terminates by reason of the Optionee's disability, the Option (to the extent not previously exercised and is then exercisable) may be exercised for a period of thirty (30) days after the date of termination for reason of disability (but not later than the termination date set forth in Section 5(a) above).
- 9. <u>Exercise Following Retirement.</u> If the Optionee's service with the Company terminates by reason of retirement, pursuant to the Company's formal retirement policy, the Option (to the extent it has not previously been exercised and is then exercisable) may be exercised within thirty (30) consecutive days after the date of the Optionee's retirement (but not later than the termination date set forth in Section 5(a) above).
- 10. <u>Time of Termination of Service</u>. For the purposes of this Agreement, Optionee's service shall be deemed to have terminated on the earlier of (a) the date when Optionee's service in fact terminated or (b) the date when the Optionee gave or received written notice that his or her service is to terminate.

- 11. Nontransferability. Unless the Company otherwise consents in writing, the Option and all rights and privileges granted hereunder shall be non-assignable and non-transferable by the Optionee, either voluntarily or by operation of law, except by will or by operation of the laws of descent and distribution, shall not be pledged or hypothecated in any way, and shall be exercisable during lifetime only by the Optionee. Except as otherwise provided herein, any attempted alienation, assignment, pledge, hypothecation, attachment, execution or similar process, whether voluntary or involuntary, with respect to all or any part of the Option or any right thereunder, shall be null and void and, at the Company's option, shall cause all of Optionee's rights under this Agreement to terminate.
- 12. <u>Effect of Exercise.</u> Upon exercise of all or any part of the Option, the number of shares of Common Shares subject to the Option under this Agreement shall be reduced by the number of shares with respect to which such exercise is made.
- 13. <u>Partial Exercise</u>. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 5; provided, however, that each partial exercise shall be for not less than one hundred (100) shares and shall be for whole shares only.
- Method of Exercise. Each exercise of the Option shall be by means of a written notice of exercise in substantially the form of attached Exhibit A delivered to the Secretary of the Company at its principal office and accompanied by payment in full of the option price for each share of Common Shares purchased under the Option. Such notice shall specify the number of shares of Common Shares with respect to which the Option is exercised and shall be signed by the person exercising the Option. If the Option is exercised by a person other than the Optionee, such notice shall be accompanied by proof, reasonably satisfactory to the Company, of such person's right to exercise the Option.

The Purchase Price specified in Section 2 above shall be paid in full upon the exercise of the Option (i) by cash or check, in United States dollars or (ii) in any other form determined by the Board of Directors and that is consistent with applicable laws, rules and regulations.

15. <u>Withholding Taxes</u>. If the Optionee is an employee or former employee of the Company when all or part of the Option is exercised, unless the Option qualifies as an ISO under Section 422 of the Code, the Company may require the Optionee to deliver payment of any withholding taxes (in addition to the Option exercise price) in cash with respect to the difference between the Option exercise price and the Fair Market Value of the Common Shares acquired upon exercise. Alternatively, the Company may accept shares having a Fair Market Value equal to the amount of the withholding taxes.

- 16. <u>Issuance of Shares</u>. Subject to the foregoing conditions, the Company, as soon as reasonably practicable after receipt of a proper notice of exercise and without transfer or issue tax or other incidental expense to the person exercising the Option, shall deliver to such person at the principal office of the Company, or such other location as may be acceptable to the Company and such person, one or more certificates for the shares of Common Shares with respect to which the Option has been exercised. Such shares shall be fully paid and non-assessable and shall be issued in the name of such person. However, at the request of the Optionee, such shares may be issued in the names of the Optionee and his or her spouse (a) as joint tenants with right of survivorship, (b) as community property or (c) as tenants in common without right of survivorship.
- 17. <u>Limitation of Optionee's Rights.</u> Neither Optionee nor any person entitled to exercise the Option shall be or have any of the rights of a shareholder of the Company in respect of any share issuable upon the exercise of the Option unless and until a certificate or certificates representing shares of Common Shares shall have been issued and delivered upon exercise of the Option in full or in part. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificates are issued. This Option is not an employment contract and nothing in this Option shall be deemed to create in any way whatsoever any obligation on Optionee's part to continue in the employ of the Company, or of the Company to continue Optionee's employment with the Company. In addition, nothing in this Option shall obligate the Company or any Affiliate of the Company, or their respective shareholders, Board of Directors, officers or employees to continue any relationship which Optionee might have as an Outside Director or Consultant for the Company or Affiliate of the Company.
- 18. Consent Required to Transfer. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, including the Company's initial public offering, Optionee shall not sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose or transfer for value or otherwise agree to engage in any of the foregoing transactions with respect to, any shares of Common Shares purchased under the Option without the prior written consent of the Company or its underwriters. Such limitations shall be in effect for such period of time from and after the effective date of such registration statement as may be requested by the Company or such underwriters.
- Recapitalizations. Subject to the provisions of the Plan, if the outstanding shares of the class then subject to this Option are adjusted for any increase or decrease in the number of issued shares of Common Shares resulting from a subdivision or consolidation of Common Shares or the payment of a stock dividend (but only of Common Shares) or any other increase or decrease in the number of issued shares of Common Shares effected without receipt of consideration by the Company, appropriate adjustments shall be made in the number and/or kind of shares or securities for which the unexercised portions of this Option may thereafter be exercised, all without any change in the aggregated exercise price applicable to the unexercised portions of this Option, but with a corresponding adjustment in the exercise price per share or other unit. Subject to the provisions of the Plan, if the Company is the surviving corporation in any merger or consolidation, this Option shall pertain and apply to the securities to which a holder of the number of Common Shares subject to the Option would have been entitled. In the event of a merger or consolidation in which the Company is not the surviving corporation, the date of exercisability of this Option shall be accelerated to a date prior to such merger or consolidation, unless the agreement of merger or consolidation provides for the assumption of the Option by the successor to the Company. To the extent that the foregoing adjustments relate to securities of the Company, such adjustments shall be made by the Board, whose determination shall be conclusive and binding on all persons. Except as expressly provided in this Section 19, the Optionee shall have no rights by reason of subdivision or consolidation of shares of any class, the payment of any Common Share dividend or any other increase or decrease in the number of shares of any class or by reason of any dissolution, liquidation, merger or consolidation or spin-off of assets or shares of another corporation, and any issue by the Com

- 20. <u>Restricted Stock Provisions.</u> In addition to certain Federal and state securities laws restrictions, until such time as the Company shall have consummated an initial public offering of its Common Shares, the shares of Common Shares issued on exercise of this Option shall upon issuance be subject to the following restrictions (and, as used herein, "restricted stock" means shares issued on exercise of this Option which are still subject to the restrictions imposed under this Section that have not yet expired or terminated):
  - (a) Such shares of restricted stock may not be sold or otherwise transferred or hypothecated;
- (b) If the employment of the Optionee with the Company or a subsidiary of the Company is terminated for any reason, other than his or her death, normal or early retirement in accordance with his or her employer's established retirement policies and practices, or total disability, the Company (or any subsidiary designated by it) shall have the option for sixty (60) days after such termination of employment to purchase for cash all or any part of his or her restricted stock at the Fair Market Value of the restricted stock on the date of such termination of employment (for which purpose Fair Market Value shall have the same meaning as set forth in the Plan);
- (c) The restrictions imposed under Section 20 shall apply as well to all shares or other securities issued in respect of restricted stock in connection with any stock split, reverse stock split, stock dividend, recapitalization, reclassification, spin-off, split-off merger, consolidation or reorganization, but such restrictions imposed under Section 20 shall expire or terminate on the earliest to occur of the following:
  - (i) The ninetieth (90<sup>th</sup>) day after the date on which shares of the same class of Common Shares as such restricted stock first become publicly
    - (ii) The fifth (5<sup>th</sup>) anniversary of the date of grant hereof;

traded;

- (iii) As to any shares for which the Company's (or a subsidiary's) sixty (60) day option to purchase upon termination of employment shall have become exercisable but shall expire without having been exercised, on the first business day of the calendar month next following the expiration of such sixty (60) day option period; or
  - (iv) The occurrence of any event or transaction upon which this Option terminated by reason of the provisions of Section 19 hereof.
  - (d) All certificates representing shares of Common Shares purchased upon the exercise of the Option shall bear the following legends:

"THE SALE OF THE SECURITIES REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). ANY TRANSFER OF SUCH SECURITIES WILL BE INVALID UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER OR IN THE OPINION OF COUNSEL FOR THE ISSUER SUCH REGISTRATION IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT."

- 21. Stock Incentive Plan. This Agreement is subject to, and the Company and the Optionee agree to be bound by, all of the terms and conditions of the Company's 200\_ Stock Incentive Plan under which this Option was granted, as the same shall have been amended from time to time in accordance with the terms thereof, provided that no such amendment shall deprive the Optionee, without his or her consent, of this Option or any of his or her rights hereunder. Pursuant to said Plan, the Board of Directors of the Company or its Committee established for such purposes is vested with final authority to interpret and construe the Plan and this Option, and is authorized to adopt rules and regulations for carrying out the Plan. A copy of the Plan in its present form is available for inspection during business hours by the Optionee or other persons entitled to exercise this Option at the Company's principal office.
- 22. <u>Notices</u>. Any notice to the Company contemplated by this Agreement shall be addressed to it in care of its President; any notice to the Optionee shall be addressed to him or her at the address on file with the Company on the date hereof or at such other address as Optionee may hereafter designate in a writing delivered to the Company as provided herein.
- 23. <u>Interpretation.</u> The interpretation, construction, performance and enforcement of this Agreement shall lie within the sole discretion of the Board, and the Board's determinations shall be conclusive and binding on all interested persons.
- 24. <u>Governing Law.</u> This Agreement has been made, executed and delivered in, and the interpretation, performance and enforcement hereof shall be governed by and construed under the laws of the State of California.

25.	Effect of Early Disposition.	If the Optionee exercises an	Option granted as an IS	O within two (2	) years of the date	on which the Opti	on was granted, or
disposes of the stoc	ck obtained by the exercise of	of the Option within one (1)	year from the date of su	ch exercise, whi	chever is later, the	Option will be a l	Nonqualified Stock
Option, and the gain	n, if any, on exercise will be	treated as compensation ration	her than as capital gain. T	The Optionee agr	rees to notify the C	company of such ea	arly exercise of the
Option or dispositio	on of the stock acquired withi	n thirty (30) days thereof. Op	otionee shall not be requir	red to hold the Co	ommon Shares for a	any period of time	following exercise,
unless legal counsel	to the Company shall reason	nably determine that such a sa	ale would violate federal of	or state securities	laws.		

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## SIGNATURE PAGE INCENTIVE STOCK OPTION AGREEMENT PURSUANT TO CRYOPORT SYSTEMS, INC. 2002 STOCK INCENTIVE PLAN

Date of Grant:		
Exercise Price:		
Number of Shares:		
Vesting Schedule:		
Notwithstanding the foregoing, the Option shall automatically fully vest upon a Change Section 14.4 of the Plan.	e in Control (as defined in Section 14.4 of the	Plan), subject to the limitations set forth in
Expiration Date:  I have read the Incentive Stock Option Agreement indicated above which was and reviewed a copy of the 2002 Stock Incentive Plan. As Optionee, I hereby acknowletween the undersigned Optionee and the Company and its Affiliates regarding the acont that subject with the exception of (i) the options and any other stock awards previous and (ii) the following agreements only:	wledge that as of the date of grant of this opequisition of stock in the Company and super	otion, it sets forth the entire understanding sedes all prior oral and written agreements
NONE(Initial)		
OTHER		
	8	

IN WITNESS WHEREOF, this Incentive Stock Option Agreement has been delivered by the parties hereto.

Date:	"Optionee"	
	NameAddress	
	Social Security Number	
The Company hereby agrees to all the terms of the Agreement.		
Cryoport Systems, Inc.		
Ву:		
Name:		
Title:		
	9	

#### EXHIBIT A

#### OPTION EXERCISE FORM

(To be executed only upon exercise of Option)

The undersigned holder of the Option hereby irrevocably exercises the Option for the purchase of that number of shares of the Common Shares, no par value, of CRYOPORT SYSTEMS, INC. set forth below, up to a maximum of \_\_\_\_\_\_ shares (or such other number of shares as may be issuable upon the exercise of the Option pursuant to the adjustment provisions of the Agreement), and hereby makes payment of the aggregate Purchase Price therefore which is also set forth below, all on the terms and subject to the conditions specified in this Agreement. Number of Shares: X Exercise Price: Aggregate Exercise Price Paid: Dated: \_\_\_\_\_ HOLDER: (Signature) (Please print) ACCEPTED:

CRYOPORT SYSTEMS, INC.

Title: \_\_\_\_\_

#### CRYOPORT SYSTEMS, INC. STOCK OPTION AGREEMENT (NON-STATUTORY STOCK OPTION)

This Stock Option Agreement (the "Agreement") is made and entered into effective as of the date set forth on the Signature Page attached hereto by and between Cryoport Systems, Inc., a California corporation (the "Company"), and that person identified on the Signature Page below and attached hereto (the "Optionee"). This Option is not intended to qualify and will not be treated as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code (the "Code").

The grant hereunder is in connection with and in furtherance of the Company's compensatory benefit plan for participation by the Company's employees (including officers), directors or consultants. Defined terms not explicitly defined in this Agreement but defined in the Cryoport Systems, Inc. 2002 Stock Incentive Plan (the "Plan") shall have the same definitions as in the Plan.

- 1. <u>Grant of Option</u>. Subject to the vesting provisions of Section 3 and/or as set forth on the Signature Page attached hereto, the Company hereby grants to Optionee, as of the date hereof the right and option to purchase, on the terms and conditions hereinafter set forth, all or any part of the aggregate number of shares of Common Shares set forth on the Signature Page attached hereto (the "Option"), subject to adjustment in accordance with the provisions of Section 19 below. It is understood and acknowledged that the Option is designated as a Non-statutory Stock Option that will not qualify as an incentive stock option under Section 422 of the Code.
- 2. <u>Purchase Price</u>. The price to be paid for the shares of Common Shares to be issued upon exercise of the Option or any part thereof shall be as set forth on the Signature Page (the "Purchase Price").
- 3. <u>Right to Exercise</u>. The right to exercise the Option shall vest in accordance with the schedule set forth on the Signature Page. Notwithstanding the foregoing, the Option shall automatically fully vest (i.e., become exercisable) as to all of the Common Shares subject to the Option in the event that a Change in Control (as defined in Section 14.4 of the Plan) occurs with respect to the Company, subject to the limitations set forth in Section 14.4 of the Plan.
- 4. <u>Securities Law Requirements.</u> No part of the Option shall be exercised if counsel to the Company determines that any applicable registration requirement under the Securities Act of 1933, as amended, or any other applicable requirement of Federal or state law has not been met.
  - 5. <u>Term of Option</u>. The Option shall terminate in any event on the date set forth on the Signature Page.

- 6. Nontransferability. Unless the Company otherwise consents in writing, the Option and all rights and privileges granted hereunder shall be non-assignable and non-transferable by the Optionee, either voluntarily or by operation of law, except by will or by operation of the laws of descent and distribution, shall not be pledged or hypothecated in any way, and shall be exercisable during lifetime only by the Optionee. Except as otherwise provided herein, any attempted alienation, assignment, pledge, hypothecation, attachment, execution or similar process, whether voluntary or involuntary, with respect to all or any part of the Option or any right thereunder, shall be null and void and, at the Company's option, shall cause all of Optionee's rights under this Agreement to terminate. Notwithstanding the foregoing, the Option may be assigned or transferred by the Optionee, without the prior written consent of the Company, to his or her spouse, lineal descendants, siblings or to a trust for the benefit of any of the foregoing.
- 7. <u>Effect of Exercise</u>. Upon exercise of all or any part of the Option, the number of shares of Common Shares subject to option under this Agreement shall be reduced by the number of shares with respect to which such exercise is made.
- 8. <u>Partial Exercise</u>. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 5; provided, however, that each partial exercise shall be for not less than one hundred (100) shares and shall be for whole shares only.
- 9. <u>Method of Exercise</u>. Each exercise of the Option shall be by means of a written notice of exercise in substantially the form of the attached Exhibit A delivered to the Secretary of the Company at its principal office and accompanied by payment in full of the Purchase Price for each share of Common Shares purchased under the Option. Such notice shall specify the number of shares of Common Shares with respect to which the Option is exercised and shall be signed by the person exercising the Option. If the Option is exercised by a person other than the Optionee, such notice shall be accompanied by proof, reasonably satisfactory to the Company, of such person's right to exercise the Option.

The Purchase Price specified in Section 2 above shall be paid in full upon the exercise of the Option (i) by cash or check, in United States dollars or (ii) in any other form determined by the Board of Directors and that is consistent with applicable laws, rules and regulations.

10. <u>Withholding Taxes</u>. If the Optionee is an employee or former employee of the Company when all or part of the Option is exercised, the Company may require the Optionee to deliver payment of any withholding taxes (in addition to the Option exercise price) in cash with respect to the difference between the Option exercise price and the Fair Market Value of the Common Shares acquired upon exercise. Alternatively, the Company may accept shares having a Fair Market Value equal to the amount of the withholding taxes.

- 11. <u>Issuance of Shares</u>. Subject to the foregoing conditions, the Company, as soon as reasonably practicable after receipt of a proper notice of exercise and without transfer or issue tax or other incidental expense to the person exercising the Option, shall deliver to such person at the principal office of the Company, or such other location as may be acceptable to the Company and such person, one or more certificates for the shares of Common Shares with respect to which the Option has been exercised. Such shares shall be fully paid and non-assessable and shall be issued in the name of such person. However, at the request of the Optionee, such shares may be issued in the names of the Optionee and his or her spouse (a) as joint tenants with right of survivorship, (b) as community property or (c) as tenants in common without right of survivorship.
- 12. <u>Limitation of Optionee's Rights.</u> Neither Optionee nor any person entitled to exercise the Option shall be or have any of the rights of a shareholder of the Company in respect of any share issuable upon the exercise of the Option unless and until a certificate or certificates representing shares of Common Shares shall have been issued and delivered upon exercise of the Option in full or in part. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificates are issued. This Option is not an employment contract and nothing in this option shall be deemed to create in any way whatsoever any obligation on Optionee's part to continue in the employ of the Company, or of the Company to continue Optionee's employment with the Company. In addition, nothing in this Option shall obligate the Company or any Affiliate of the Company, or their respective shareholders, Board of Directors, officers or employees to continue any relationship which Optionee might have as an Outside Director or Consultant for the Company or Affiliate of the Company.
- 13. Consent Required to Transfer. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, including the Company's initial public offering, Optionee shall not sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose or transfer for value or otherwise agree to engage in any of the foregoing transactions with respect to, any shares of Common Shares purchased under the Option without the prior written consent of the Company or its underwriters. Such limitations shall be in effect for such period of time from and after the effective date of such registration statement as may be requested by the Company or such underwriters.
- Recapitalizations. Subject to the provision of the Plan, if the outstanding shares of the class then subject to this Option are adjusted for any increase or decrease in the number of issued shares of Common Shares resulting from a subdivision or consolidation of the Common Shares or the payment of a stock dividend (but only of Common Shares) or any other increase or decrease in the number of issued shares of Common Shares effected without receipt of consideration by the Company, appropriate adjustments shall be made in the number and/or kind of shares or securities for which the unexercised portions of this Option may thereafter be exercised, all without any change in the aggregated exercise price applicable to the unexercised portions of this Option, but with a corresponding adjustment in the exercise price per share or other unit. Subject to the provisions of the Plan, if the Company is the surviving corporation in any merger or consolidation, this Option shall pertain and apply to the securities to which a holder of the number of Common Shares subject to the Option would have been entitled. In the event of a merger or consolidation in which the Company is not the surviving corporation, the date of exercisability of this Option shall be accelerated to a date prior to such merger or consolidation, unless the agreement of merger or consolidation provides for the assumption of the Option by the successor to the Company. To the extent that the foregoing adjustments relate to securities of the Company, such adjustments shall be made by the Board, whose determination shall be conclusive and binding on all persons. Except as expressly provided in this Section 19, the Optionee shall have no rights by reason of subdivision or consolidation of shares of Common Shares of any class, or securities convertible into shares of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Purchase Price of Common Shares subject to an Option.

15.	Restricted Stock Provisions. In addition to certain federal and state securities laws restrictions, until such time as the Company shall have consummated an
initial public	offering of its common stock, the shares of Common Shares issued on exercise of this Option shall upon issuance be subject to the following restrictions (and, as
used herein, '	"restricted stock" means shares issued on exercise of this Option which are still subject to the restrictions imposed under this Section that have not yet expired or
terminated):	

- (a) Such shares of restricted stock may not be sold or otherwise transferred or hypothecated;
- (b) If the employment of the Optionee with the Company or a subsidiary of the Company is terminated for any reason, other than his or her death, normal or early retirement in accordance with his or her employer's established retirement policies and practices, or total disability, the Company (or any subsidiary designated by it) shall have the option for sixty (60) days after such termination of employment to purchase for cash all or any part of his or her restricted stock at the Fair Market Value of the restricted stock on the date of such termination of employment (for which purpose Fair Market Value shall have the same meaning as set forth in the Plan);
- (c) The restrictions imposed under Section 20 shall apply as well to all shares or other securities issued in respect of restricted stock in connection with any stock split, reverse stock split, stock dividend, recapitalization, reclassification, spin-off, split-off merger, consolidation or reorganization, but such restrictions imposed under Section 20 shall expire or terminate on the earliest to occur of the following:
  - (i) The ninetieth (90<sup>th</sup>) day after the date on which shares of the same class of Common Shares as such restricted stock first become publicly
    - (ii) The fifth (5<sup>th</sup>) anniversary of the date of grant hereof;

traded;

	(iii)	As to any shares for which the Company's (or a subsidiary's) sixty (60) day option to purchase upon termination of employment shall
have become exercisa	ible but shall e	xpire without having been exercised, on the first business day of the calendar month next following the expiration of such sixty (60) day
option period; or		

- (iv) The occurrence of any event or transaction upon which this Option terminated by reason of the provisions of Section 19 hereof.
- (d) All certificates representing shares of Common Shares purchased upon the exercise of the Option shall bear the following legends:

"THE SALE OF THE SECURITIES REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). ANY TRANSFER OF SUCH SECURITIES WILL BE INVALID UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER OR IN THE OPINION OF COUNSEL FOR THE ISSUER SUCH REGISTRATION IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT."

- 16. Stock Incentive Plan. This Agreement is subject to, and the Company and the Optionee agree to be bound by, all of the terms and conditions of the Company's 2002 Stock Incentive Plan under which this Option was granted, as the same shall have been amended from time to time in accordance with the terms thereof, provided that no such amendment shall deprive the Optionee, without his or her consent, of this Option or any of his or her rights hereunder. Pursuant to said Plan, the Board of Directors of the Company or its Committee established for such purposes is vested with final authority to interpret and construe the Plan and this Option, and is authorized to adopt rules and regulations for carrying out the Plan. A copy of the Plan in its present form is available for inspection during business hours by the Optionee or other persons entitled to exercise this Option at the Company's principal office.
- 17. <u>Notices</u>. Any notice to the Company contemplated by this Agreement shall be addressed to it in care of its President; any notice to the Optionee shall be addressed to him or her at the address on file with the Company on the date hereof or at such other address as Optionee may hereafter designate in a writing delivered to the Company as provided herein.
- 18. <u>Interpretation</u>. The interpretation, construction, performance and enforcement of this Agreement shall lie within the sole discretion of the Board, and the Board's determinations shall be conclusive and binding on all interested persons.
- 19. <u>Governing Law.</u> This Agreement has been made, executed and delivered in, and the interpretation, performance and enforcement hereof shall be governed by and construed under the laws of the State of California.

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# SIGNATURE PAGE NON-STATUTORY STOCK OPTION AGREEMENT PURSUANT TO CRYOPORT SYSTEMS, INC. 2002 STOCK INCENTIVE PLAN

Date of Grant: Exercise Price: Number of Shares: Vesting Schedule:	
Notwithstanding the foregoing, the Option shall automatically fully vest upon a Change Section 14.4 of the Plan.	e in Control (as defined in Section 14.4 of the Plan), subject to the limitations set forth in
Expiration Date:	5 years from the date of grant
received and reviewed a copy of the 2002 Stock Incentive Plan. As Optionee, I he understanding between the undersigned Optionee and the Company and its Affiliates re	ich was adopted for use in connection with the 2002 Stock Incentive Plan. I have also ereby acknowledge that as of the date of grant of this Option, it sets forth the entire garding the acquisition of stock in the Company and supersedes all prior oral and written vards previously granted and delivered to the undersigned under stock award plans of the
NONE(Initial)	
OTHER	_
	6

IN WITNESS WHEREOF, this Non-Statutory Stock Option Agreement has been delivered by the parties hereto.

Date:	"Optionee"	
	NameAddress	
	Social Security Number	
The Company hereby agrees to all the terms of the Agreement.		
Cryoport Systems, Inc.		
Ву:		
Name:		
Title:		
Date:		
	7	

#### EXHIBIT A

#### OPTION EXERCISE FORM

(To be executed only upon exercise of Option)

The undersigned holder of the Option hereby irrevocably exercises the Option for the purchase of that number of shares of the common stock, no par value, of Cryoport Systems, Inc. set forth below, up to a maximum of \_\_\_\_\_\_shares (or such other number of shares as may be issuable upon the exercise of the Option pursuant to the adjustment provisions of the Agreement), and hereby makes payment of the aggregate Purchase Price therefore which is also set forth below, all on the terms and subject to the conditions specified in this Agreement.

Number of Shares:

Exercise Price:

S\_\_\_\_\_\_

Aggregate Purchase Price Paid:

S\_\_\_\_\_\_

HOLDER:

[Signature)

[Please print name]

ACCEPTED:

CRYOPORT SYSTEMS, INC.

Date: \_\_\_\_\_\_

Name: \_\_\_\_\_\_

Name: \_\_\_\_\_\_

Title: \_\_\_\_\_\_

Title: \_\_\_\_\_\_

Date: \_\_\_\_\_

THESE SECURITIES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION OR QUALIFICATION IS NOT REQUIRED.

Warrant No.: 2005-\_\_\_

### CRYOPORT SYSTEMS, INC.

414504.1

- (ii) Certificates for shares of Warrant Stock purchased upon exercise of this Warrant shall be delivered by the Company to the Holder within ten (10) business days after the Exercise Time. Unless this Warrant has expired or all of the purchase rights represented hereby have been exercised, the Company shall prepare a new Warrant, substantially identical hereto, representing the rights formerly represented by this Warrant which have not expired or been exercised and shall, within such five-day period, deliver such new Warrant to the Holder.
- (iii) The Warrant Stock issuable upon the exercise of this Warrant shall be deemed to have been issued to the Holder at the Exercise Time, and the Holder shall be deemed for all purposes to have become the record holder of such Warrant Stock at the Exercise Time.
- (iv) The Company shall take all such actions as may be necessary to assure that all such shares of Warrant Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which shares of Warrant Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance).
- Agreement shall be substantially in the form set forth in <u>Exhibit I</u> hereto. Such Exercise Agreement shall be dated as of the date of execution thereof.
- Fractional Shares. If a fractional share of Warrant Stock would, but for the provisions of paragraph 1A, be issuable upon exercise of the rights represented by this Warrant, the Company shall, within five (5) business days after the date of the Exercise Time, deliver to the Holder a check payable to the Holder in lieu of such fractional share in an amount equal to the difference between the Market Price (as defined below) of such fractional share as of the date of the Exercise Time and the Exercise Price of such fractional share. The term "Market Price" shall mean (i) if the Common Stock is traded in the over-the-counter market and not in the NASDAQ Small Cap Market or the National Market nor on any national securities exchange, the average of the per share closing bid prices of the Common Stock on the ten (10) consecutive trading days immediately preceding the date in question, as reported by NASDAQ or an equivalent generally accepted reporting service, or (ii) if the Common Stock is traded in the NASDAQ Small Cap Market or the National Market or on a national securities exchange, the average for the ten (10) consecutive trading days immediately preceding the date in question of the daily per share closing prices of the Common Stock in the NASDAQ Small Cap Market or the National Market or on the principal stock exchange on which it is listed, as the case may be, or (iii) if the class of Stock is not publicly traded or quoted, the fair market value as determined by the Board of Directors of the Company based on (with appropriate adjustments) the most recent purchases of the Company's Stock and/or other relevant factors including the Company's income and assets or evaluation reports received by the Company.
- Section 2. Adjustment of Exercise Price and Number of Shares. In order to prevent dilution of the rights granted under this Warrant, the Exercise Price shall be subject to adjustment from time to time as provided in this Section 2, and the number of shares of Warrant Stock obtainable upon exercise of this Warrant shall be subject to adjustment from time to time as provided in this Section 2.

414504.1 -2-

- 2A. <u>Subdivision or Combination of Common Stock</u>. If the Company at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of shares of Warrant Stock obtainable upon exercise of this Warrant shall be proportionately increased. If the Company at any time combines (by reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of shares of Warrant Stock obtainable upon exercise of this Warrant shall be proportionately decreased.
- Reorganization, Reclassification, Consolidation, Merger or Sale. Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Company's assets to another person or other transaction which in each case is effected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock is referred to herein as an "Organic Change." Prior to the consummation of any Organic Change (but subject to the consummation of such Organic Change), the Company or such successor or purchasing corporation, as the case may be, shall execute with the Holder an agreement that the Holder shall have the right thereafter, upon payment of the Exercise Price in effect immediately prior to such action, to purchase, upon exercise of each Warrant, the kind and amount of shares and other securities and property which it would have owned or have been entitled to receive after the occurrence of such Organic Change had each Warrant been exercised immediately prior to such action. In the event of an Organic Change involving a merger described in Section 368(a)(2)(E) of the Internal Revenue Code of 1986, as amended, in which the Company is the surviving corporation, the right to purchase shares of Common Stock under the Warrant shall terminate on the date of such merger and thereupon the Warrant shall become null and void, but only if the controlling corporation shall agree to substitute for the Warrant its warrants, which entitle the holders thereof to purchase upon their exercise the kind and amount of shares and other securities and property which they would have owned or been entitled to receive had the Warrant been exercised immediately prior to such merger. Any such agreements referred to in this Subsection 2B shall provide for adjustments, which shall be as nearly equivalent as may be practicable to the adjustments provided for in Section 2 hereof. The provisions of this Subsection 2B shall similarly apply to successive Organic Changes.

#### 2C. Notices.

- Immediately upon any adjustment of the Exercise Price, the Company shall give written notice thereof to the Holder, setting forth in reasonable detail and certifying the calculation of such adjustment.
- (ii) The Company shall give written notice to the Holder at least ten days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Stock, (B) with respect to any pro rata subscription offer to holders of Common Stock or (C) for determining rights to vote with respect to any Organic Change, dissolution or liquidation.

414504.1 -3-



Section 3. <u>Definitions</u>. The following terms have the meanings set forth below:

"Common Stock" means, collectively, the common stock of the Company.

"Warrant Stock" means the Company's Common Stock; provided, that if there is a change such that the securities issuable upon exercise of this Warrant is issued by an entity other than the Company or there is a change in the class of securities so issuable, then the term "Warrant Stock" shall mean one share of the security issuable upon exercise of this Warrant if such security is issuable in shares, or shall mean the smallest unit in which such security is issuable if such security is not issuable in shares.

Section 4. No Voting Rights; Limitations of Liability. This Warrant shall not entitle the Holder to any voting rights or other rights as a stockholder of the Company. No provision hereof, in the absence of affirmative action by the Holder to purchase Warrant Stock, and no enumeration herein of the rights or privileges of the Holder shall give rise to any liability of such Holder for the Exercise Price of Warrant Stock acquirable by exercise hereof or as a stockholder of the Company.

Section 5. Warrant Not Transferable. The Warrant and all rights hereunder shall not be transferred, and the Company shall not be required to register any transfer on the books of the Company, unless the Company shall have been provided with an opinion of counsel satisfactory to it prior to such transfer that registration under the Securities Act and applicable state securities laws is not required in connection with the transaction resulting in such transfer. Each new Warrant or Company Common Stock certificate issued upon any transfer as above provided shall bear an appropriate investment legend, except that such Warrant or Company Common Stock certificate shall not bear such restrictive legend if the opinion of counsel referred to above is to further effect that such legend is not required in order to establish compliance with the provisions of the Securities Act, or if such transfer is made pursuant to an effective registration statement under the Securities Act or if such transfer is made in accordance with the provisions of Rule 144(k) promulgated under the Securities Act. The Warrant may also be transferred by will or devise and by the laws of descent. This Warrant is transferable by the Company by operation of law and in connection with the sale of all or substantially all of its assets.

Section 6. Warrant Exchangeable for Different Denominations. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant of like tenor representing in the aggregate the purchase rights hereunder, and each such Warrant shall represent such portion of such rights as is designated by the Holder at the time of such surrender. The date the Company initially issues this Warrant shall be deemed to be the "Date of Issuance" hereof regardless of the number of times new certificates representing the unexpired and unexercised rights formerly represented by this Warrant shall be issued. All Warrants representing portions of the rights hereunder are referred to herein as the "Warrant."

414504.1 -5-

- Section 7. Replacement. Upon receipt of evidence reasonably satisfactory to the Company (an affidavit of the Holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing this Warrant, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Company, or, in the case of any such mutilation upon surrender of such certificate, the Company shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the same rights represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.
- Section 8. Notices. Except as otherwise expressly provided herein, all notices referred to in this Warrant shall be in writing and shall be delivered personally, sent by reputable express courier service (charges prepaid) or sent by registered or certified mail, return receipt requested, postage prepaid and shall be deemed to have been given when so delivered, sent or deposited in the U.S. Mail (i) to the Company, at its principal executive offices and (ii) to the Holder, at such Holder's address as it appears in the records of the Company (unless otherwise indicated by Holder).
- Section 9. <u>Descriptive Headings</u>; <u>Governing Law</u>. The descriptive headings of the several Sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. The construction, validity and interpretation of this Warrant shall be governed by the internal law, and not the conflicts law, of California.
- Section 10. <u>Attorneys' Fees.</u> If any action at law or in equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

#### Section 11. Representations and Warranties.

- 11A. The Company has all requisite corporate power and authority to enter into and perform all of its obligations under this Warrant, to carry out the transactions contemplated hereby and to issue this Warrant. This Warrant and the transactions contemplated hereby, have been duly authorized, executed and delivered by the Company.
- 11B. This Warrant and the Warrant Stock have been duly authorized and, when issued and delivered to the Holder against payment thereof in accordance with the terms hereof, will be validly issued, fully paid and nonassessable and will not have been issued in violation of any preemptive or similar rights.
- 11C. This Warrant is, as of the date hereof, the legal, valid and binding obligation of the Company, enforceable in accordance with its terms.

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414504.1 -6-

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by a duly authorized officer under its corporate seal and to be dated the date first mentioned above and Holder has acknowledged and agreed to the terms and provisions hereof.

	COMPANY:
	CRYOPORT SYSTEMS, INC.
	By:
	Name: David Patreccia, M.D. Secretary
	Date:
Acknowledged and agreed to:	
HOLDER:	
Submitted and activate and adjustment and and and activate and and activate and activate and activate activate and activate and activate a	
<u> </u>	
Date:	

414504.1 -7-

#### EXERCISE AGREEMENT

To:	Dated:
Attn:	Chief Financial Officer
	The undersigned (the "Investor"), pursuant to the provisions set forth in the
attacne	ed Warrant (Certificate No), hereby agrees to subscribe for the purchase of shares of the Warrant Stock (as defined in the Warrant) of CryoPort Systems. Inc
	ifornia corporation (the "Company"), covered by such Warrant and makes payment
herew	ith in full therefor in the manner and at the price per share provided by such Warrant.

In connection with the receipt of the Warrant Stock, Investor hereby represents, warrants, covenants and agrees as set forth below.

- 1. Purchase Entirely for Own Account. The Warrant Stock will be acquired for investment for such Investor's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and Investor has no present intention of selling, granting any participation in, or otherwise distributing the Warrant Stock or any portion thereof. Further, Investor does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to all or any portion of the Warrant Stock.
- 2. No Securities Act Registration. Investor understands that the Warrant Stock has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), by reason of a specific exemption or specific exemptions from the registration provisions of the Securities Act which depend upon, among other things, the bona fide nature of Investor's investment intent as expressed herein.
- 3. Restricted Securities. Investor acknowledges that, because the Warrant Stock has not been registered under the Securities Act, the Warrant Stock must be held by the Investor indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. Investor is aware of the provision of Rule 144 promulgated under the Securities Act that permits the limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things, the satisfaction of having held the Warrant Stock for a certain duration of time, the availability of certain current public information about the Company, the sale being through a "broker's transaction" (as provided by Rule 144(f)), and the volume of shares sold not exceeding specified limitations (unless the sale is within the requirements of Rule 144(k)).
- 4. Accredited and Sophisticated Investor. Investor: (a) is an accredited investor as defined in Rule 501(a) of Regulation D of the Securities and Exchange Commission; (b)(i) either alone or with Investor's professional advisor or advisors, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of acquiring the Warrant Stock, (ii) either alone by reason of Investor's business or financial experience or together

414504.1 I-1

with Investor's professional advisor or advisors, has the capacity to protect Investor's interests in connection with acquisition of the Warrant Stock; and (c) is able to bear the economic risk of the investment in the Warrant Stock, including a complete loss of the investment.

- 5. Opportunity to Ask Questions. Investor has had an opportunity to ask questions of and receive answers from the Company or its representatives concerning the terms of Investor's investment in the Warrant Stock, all such questions have been answered to the full satisfaction of Investor, and Investor has had the opportunity to request and obtain any additional information Investor deemed necessary to verify or supplement the information contained therein.
- 6. <u>Investment Risks</u>. Investor recognizes that an investment in the Warrant Stock involves substantial risks, and is fully aware of and understands all of the risk factors related to the acquisition of the Warrant Stock. Investor has determined that the acquisition of the Warrant Stock is consistent with Investor's investment objectives. Investor is able to bear the economic risks of an investment in the Warrant Stock, and at the present time could afford a complete loss of such investment.
- Limitation on Manner of Offering. The Warrant Stock was not offered to Investor by any means of general solicitation or general advertising.
- 8. Tax and Other Matters. Investor is not relying on the Company with respect to tax and other economic considerations involved in the acquisition of the Warrant Stock. Investor has carefully considered and has, to the extent Investor believes such discussion necessary, discussed with Investor's professional, legal, tax, accounting and financial advisors the suitability of an investment in the Warrant Stock for Investor's particular tax and financial situation and Investor has determined that the Warrant Stock is a suitable investment for him, her or it.
- Restrictive Legends. Investor understands that the Warrant Stock shall bear one or more of the following restrictive legends:
  - (a) "THESE SECURITIES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR THE SECURITIES LAWS OF ANY STATE. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER THE ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH REGISTRATION AND QUALIFICATION UNDER THE ACT AND SUCH LAWS IS NOT REQUIRED"
  - (b) Any legend required by applicable state law.

414504.1 I-2

- 10. <u>Successors.</u> This Exercise Agreement and the representations and warranties contained herein shall be binding upon the heirs, executors, administrators, personal representatives and other successors of Investor and shall inure to the benefit of and be enforceable by the Company.
- Address. The address, telephone number and facsimile number set forth at the end
  of this letter are Investor's true and correct address.
- 12. Market Stand-Off: Investor agrees that, during the period of duration specified by the Company and an underwriter or underwriters of the common stock or other securities of the Company, following the effective date of a registration statement of the Company filed under the Securities Act, Investor will not, to the extent requested by the Company and such underwriter or underwriters, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company held by Investor at any time during such period except securities included in such registration, provided that:
  - (a) all officers and directors of the Company enter into similar agreements; and
  - (b) such market stand-off time period shall not exceed one hundred eighty (180) days.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the securities covered thereby until the end of such period.

"INVESTO	OR"		
91			
(Signature)	)		
Address:			
Telephone:			
Facsimile:	10		

414504.1 I-3



## (12) United States Patent Mullens et al.

(10) Patent No.: US 6,467,642 B2 (45) Date of Patent: Oct. 22, 2002

#### (54) CRYOGENIC SHIPPING CONTAINER

(34) Inventoes: Patrick L. Mullens, 2124 Santingo St., Covins, CA. (US) 91724; Grega Emmel, 1120 Princeton Dr., Marina Del Rey, CA (US) 90292; Kevin Glessy, 14999 Cambon Ave, Chino Hills, CA (US) 91709; Christy Thomas, 1120 Princeton Dr., Marina Del Rey, CA (US) 90292

(\*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 4 days.

(21) Appl. No.: 09/753,194

(22) Filed: Dec. 29, 2000

(56)

Prior Publication Data (65)

US 2002/0084277 A1 Jul. 4, 2002

(58) Field of Search 220/560.24, 560.07, 220/560.1, 560.12, 560.4, 367.1

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1219821 3/1987 Primary Examiner—Joseph M. Coy (74) Attorney, Agent, or Firm—Ray L. Anderson

(57) ABSTRACT

ASSTRACT

A shipping container with an outer shipping container shell and a support assembly for holding a dewar vessel within the outer shipping container shell and providing in impact and vibration resistance to the dewar vessel. The dewar vessel has an inner vessel that holds a specimen chamber and plastic foam between its inner wall and the specimen chamber and plastic foam between its inner wall and the specimen chamber. The specimen chamber allows liquid cryogen to pass through it into the plastic foam, allows liquid cryogen in a vapor plasse liquid state to pass from the plastic foam into it, and acts as a filter to prevent particles or fragments of the plastic foam from entering into it. The specimen chamber is an open-celled porous thermoplastic material that is cryogenically compatible such as an arcated oplypropytien foam. The plastic foam are hold a normal change of liquid cryogen in a dry vapor state regardless of the container's spatial orientation. The plastic foam can be made of multiple foam segments separated by a capillarity separation layer. A self-venting cap is used to restrict access to the specimen chamber when it forms a compression seal with an inner circumference of the neck of the dewar vessel. The shipping container is configured so that a reservoir will be formed within the dewar vessel when the container rests on its side so that gravity will not force vapor plasse liquid cryogen in the reservoir out of the dewar vessel. The shipping container complies with Department of Transportation/International Air Transport Association (DOT), IAIA) Dangeous Goods Regulations.

79 Claims, 8 Drawing Sheets

#### 79 Claims, 8 Drawing Sheets



# US 6,467,642 B2 Page 2

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# JEFFERS, SHAFF & FALK, LLP

ATTORNE'S AT LAW

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October 19, 2000

Patrick L. Mullens Cryoport Systems 2713 Bonnie Beach Place Los Angeles, CA 90023-4713

RE: Notice of Recordation for JSF 35.051
"CRYOGENIC SHIPPING CONTAINER"

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AUGUST 17, 2001

ROY L. ANDERSON 18881 VON KARMAN AVE. SUITE 1400 IRVINE, CA 92612



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RECORDATION DATE: 06/04/2001

REEL/FRAME: 011866/0417 NUMBER OF PAGES: 5

BRIEF: ASSIGNMENT OF ASSIGNOR'S INTEREST (SEE DOCUMENT FOR DETAILS).

ASSIGNOR: MULLENS, PATRICK L.

DOC DATE: 03/22/2001

DOC DATE: 03/22/2001

ASSIGNOR: GIESY, R. KEVIN

DOC DATE: 03/23/2001

ASSIGNOR: THOMAS, CHRISTY

DOC DATE: 03/22/2001

ASSIGNEE: CRYOPORT SYSTEMS, INC. 2713 BONNIE BEACH PLACE LOS ANGELES, CALIFORNIA 90023

SERIAL NUMBER: 09753194 PATENT NUMBER:

FILING DATE: 12/29/2000 ISSUE DATE:

011866/0417 PAGE 2

ANTIONE ROYALL, EXAMINER ASSIGNMENT DIVISION OFFICE OF PUBLIC RECORDS



6,119,465

Sep. 19, 2000

# United States Patent [19]

Mullens et al.

[54] SHIPPING CONTAINER FOR STORING MATERIALS AT CRYOGENIC TEMPERATURES

[76] Inventors: Patrick L. Mullens, 2124 Santiago St., Covina, Calif. 91724; Gregg Emmel, 1120 Princeton Dr., Marina Del Rey, Calif. 90292

[21] Appl. No.: 09/247,581 [22] Filed: Feb. 10, 1999

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Primary Examiner-William Doerrler

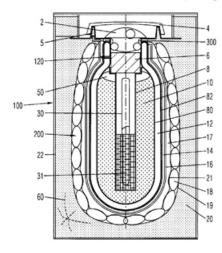
# [45] Date of Patent:

[11] Patent Number:

[57] ABSTRACT

A disposable shipping container for storing materials at cryogenic temperatures with: a specimen holding chamber, an open coll plastor for holding liquid nitrogenic temperatures with: a specimen holding chamber, and the collection of the plastic form of the collection of the collectio

#### 11 Claims, 4 Drawing Sheets



# JEFFERS, SHAFF & FALK, LLP

ATTORNETS AT LAW 18881 VON KARMAN AVENUE SUITE 1400 IRVINE, CALIFORNIA 92612 TELEPHONE: (949) 660-7700 FACSIMILE: (949) 666-7799

October 19, 2000

Patrick L. Mullens Cryoport Systems 2713 Bonnie Beach Place Los Angeles, CA 90023-4713

RE: Notice of Recordation for Serial No. 6,119,465
"SHIPPIN CONTAINER FOR STORING MATERIALS AT CRYOGENIC TEMPERATURES"

Dear Patrick:

I am pleased to enclose the original Notice of Recordation of Assignment Document from the United States Patent Office ("PTO") for the above-identified matter. As you will see, a copy of this document has been permanently recorded with the PTO. Even though a copy of this document can be obtained from the PTO, because it is an original document, you should keep this document in a safe place with other original, important legal documents.

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AUGUST 24, 2001

JEFFERS, SHAFF & FALK, LLP ROY L. ANDERSON 18881 VON KARMAN AVE., #1400 IRVINE, CA 92612

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RECORDATION DATE: 06/11/2001

REEL/FRAME: 002315/0153 NUMBER OF PAGES: 4

BRIEF: ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

ASSIGNOR: MULLENS, PATRICK L.

DOC DATE: 12/06/2000

CITIZENSHIP: ENTITY: INDIVIDUAL

ASSIGNOR: EMMEL, GREGG

DOC DATE: 12/06/2000 CITIZENSHIP: ENTITY: INDIVIDUAL

CITIZENSHIP: STATELESS ENTITY: CORPORATION

ASSIGNEE:
CRYOPORT SYSTEMS
2713 BONNIE BEACH PLACE
LOS ANGELES, CALIFORNIA 90023-4713

FILING DATE:

APPLICATION NUMBER: 86119465 REGISTRATION NUMBER: 6119465

MARK: DRAWING TYPE:

ISSUE DATE:

002315/0153 PAGE 2

STEVEN POST, EXAMINER ASSIGNMENT DIVISION OFFICE OF PUBLIC RECORDS



# (12) United States Patent

Giesy et al.

(10) Patent No.: US 6,539,726 B2 (45) Date of Patent: Apr. 1, 2003

# (54) VAPOR PLUG FOR CRYOGENIC STORAGE VESSELS

(76) Inventoes: R. Kevin Giesy, 40068 Montage La., Murrica, CA (US) 92563; Mark Ventura, 15721 Willett La, Huntington Beach, CA (US) 92647; Funn Roberts, 2458 E. Hunter St., 85, Los Angeles, CA (US) 90021

Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days. (\*) Notice:

(21) Appl. No.: 09/851,407

# (22) Filed: May 8, 2001

#### Prior Publication Data (65) US 2002/0166326 A1 Nov. 14, 2002

(51) Int. Cl.<sup>7</sup> F17C 7/04 (52) U.S. Cl. 62/48.1; 206/0.7; 220/500.1; 220/592.2; 220/373 (58) Field of Search 62/48.1, 51.1; 206/0.6, 0.7; 220/560.1, 592.2, 367.1, 373

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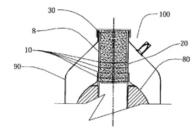
Primary Examiner—Ronald Capossela (74) Attorney, Agent, or Firm—Roy L. Anderson (57) ABSTRACT

CA

(57) ABSTRACT

A thermal barrier for a Dewar vessel combines an insulative vapor plug and a vapor barrier. The plug is sized so as to define an open space between it and the neck portion of the Dewar vessel to allow venting of vaporous cryogen from the inner vessel of the Dewar venting of vaporous cryogen from the inner vessel of the Dewar venting of vaporous cryogen from the plug and the neck portion that disrupts venting of vaporous cryogen but does not form an airtight scall that would block venting and came unacceptable build-up of pressure within the inner vessel. Multiple vapor barriers, especially four or more, provide multiple interferences that create multiple chambers between the plug and the neck portion. Each interference disrupts migration of vaporous cryogen as an incremental increase (e.g., 2 page et ses) in vapor pressure of each chamber crustees the chamber to breach and then on the contract of each chamber of the start in another incremental increase in vapor pressure of the lagist cryogen in the vaporous tasts is required to breach each the neck portion of a conventional Dewar vessel to increase is building time.

## 28 Claims, 7 Drawing Sheets



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# Patent #6,539,726

Notice of Assignment to Cryoport Systems, Inc.

Filed with USPTO - June 2005

# EXHIBIT A

APPLICANT'S NAME: Cryoport Systems, L.L.C.

APPLICANT'S ENTITY TYPE: A California Limited Liability Company

1120 Princeton Drive Marina Del Rey, CA 90292 APPLICANT'S ADDRESS:

DATE OF FIRST USE: Intent-to-Use DATE OF FIRST USE IN COMMERCE: Intent-to-Use

INTERNATIONAL CLASS: 016

GOODS/SERVICES:

INSULATED SHIPPING CONTAINERS FOR TRANSPORTING FROZEN MATERIALS IN INTERNATIONAL CLASS 016.

# CRYOPORT

# WERE WILLIAM STREET

10-29-1999

TRADEMARK IKWA MIMBERO KOENIG & ASSOCIATES

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FACSIMILE: 805-564-8262

July 1, 2002

Dr. Patrick L. Mullens President Cryoport Systems, LLC 2713 Bonnie Beach Place Los Angeles, CA 90023

Re: Notice of Recordation of Assignment Document

Mark: Serial No.: Int. Class: NOA Issued: Published: Filing Date: Our Reference

Our Reference:

CRYOPORT 75/834,787 020 0ctober 16, 2001 0ctober 21, 2001 0ctober 9, 1999 2190-105

Dear Pat:

I am pleased to enclose a copy of the Notice of Recordation of Assignment Document for the above-referenced trademark application. The assignment from Cryoport Systems, LLC to Cryoport Systems, Inc. was recorded on April 12, 2002 at Reel 2494, Frame 33 in the records of the United States Patent and Trademark Office.

The trademark examiner had issued an office action against application pending the recordation of the assignment. We will now notify the examiner of the recording of the assignment and request the Certificate of Registration issue in the name of Cryoport Systems, Inc.

Please note that it could take up to several months before the application is approved for registration and a Certificate of Registration issued. In the meantime we will continue to notify you of any further information received from the Trademark Office concerning this application. If you have any questions, please call me.

Plyabeth Linford

EAL:kk Enclosure 2190-105



JUNE 25, 2002

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Chief Information Officer Washington, DC 20231 www.uspto.gov

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RECORDATION DATE: 04/12/2002

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BRIEF: NUNC PRO TUNC ASSIGNMENT

ASSIGNOR: CRYOPORT SYSTEMS, LLC

DOC DATE: 04/06/2002 CITIZENSHIP: CALIFORNIA ENTITY: LIMITED LIABILITY COMPANY

ASSIGNEE: CRYOPORT SYSTEMS, INC. 2713 BONNIE BEACH PLACE LOS ANGELES, CALIFORNIA 90023

CITIZENSHIP: CALIFORNIA ENTITY: CORPORATION

APPLICATION NUMBER: 75834787 REGISTRATION NUMBER:

FILING DATE: 10/29/1999 ISSUE DATE:

MARK: CRYOPORT DRAWING TYPE: WORDS, LETTERS, OR NUMBERS IN TYPED FORM

... 002494/0033 PAGE 2

APPLICATION NUMBER: 75867978 FILING DATE: 12/08/1999
REGISTRATION NUMBER: 2562326 ISSUE DATE: 04/16/2002

MARK: CRYOPORT DRAWING TYPE: WORDS, LETTERS, OR NUMBERS AND DESIGN

MARY BENTON, EXAMINER ASSIGNMENT DIVISION OFFICE OF PUBLIC RECORDS



# 12-08-1999 U.S. Patent & TMOfo/TM Mail Rept Dt. #40

# EXHIBIT A

# DRAWING PAGE

APPLICANT'S NAME: CRYOPORT SYSTEMS, LLC

ENTITY TYPE: A California Limited Liability Company

APPLICANT'S BUSINESS ADDRESS: 1120 PRINCETON DRIVE

MARINA DEL REY, CA 90292

DATE OF FIRST USE: INTENT-TO-USE

DATE OF FIRST USE IN COMMERCE: INTENT-TO-USE

INTERNATIONAL CLASS: 16

GOODS: INSULATED SHIPPING

CONTAINERS FOR TRANSPORTING

FROZEN MATERIALS IN INTERNATIONAL CLASS 16





# SIMPLE INTEREST COMMERCIAL PROMISSORY NOTE

PRINCIPAL AMOUNT \$110,000.00

NO. 1

FOR VALUE RECEIVED the Undersigned jointly and severely promises to pay to the order of RAYMOND TAKAHASHI, M.D. (Payee) the sum of:

ONE HUNDRED TEN THOUSAND Dollars (\$110,000.00)

together with interest on the unpaid balance outstanding from time to time at the rate set out below. Interest will accrue on the outstanding unpaid principal balance for each day that any amount is outstanding and will continue to accrue until this note is paid in full.

The interest rate on this note will be fixed at  $\underline{six}$  percent (6%) per annum. Simple interest shall be calculated on this note on the basis of 365/365.

Undersigned shall pay this note as follows:

The term of this note shall be ten (10) years starting March 1, 2005. Interest shall accrue on outstanding Principle balance during the term of this note from the date funds were received.

Monthly Principal payments shall be as follows:

- (a) \$500.00 per month commencing April 1, 2006;
- (b) Every six (6) months after commencing Principal payments, monthly Principal payments shall increase by an amount of \$500.00 (i.e. \$1,000.00 per month beginning November 1, 2006; \$1,500.00 per month beginning April 1, 2007, etc.), up to a maximum of \$2,000.00 per month, unless accelerated as set forth in (c) below; and
- (c) Monthly Principal payments shall be accelerated upon Undersigned's achievement of three (3) months consecutive positive cash flow as follows:

1

- (i) five percent (5%) payment on Principal due with in forty-five (45) days subsequent to Undersigned's achievement of three (3) months positive cash flow; and
- (ii) upon Undersigned's achievement of three (3) months positive cash flow, monthly payments shall increase to \$5,000.00 per month thereafter. The Undersigned shall pay Payee at such place as Payee shall designate in writing.

The final payment of any residual balance, including remaining Principal and accrued Interest (balloon payment), will become due and payable on February 1, 2015.

- 1. The following shall be deemed to be events of default
- (a) Failure of the Undersigned to pay any installment principal or interest on this Note on any due date provided such nonpayment continues for a period of one hundred twenty (120) days;
- (b) The filing of any petition by the Undersigned or against the Undersigned under the Federal Bankruptcy Act as now or hereafter in force for any relief based upon an allegation of Undersigned's insolvency, or adjudication of the Undersigned as a bankrupt under said act;
- (c) The filing of a petition against the Undersigned for reorganization of the Undersigned under the Federal Bankruptcy Act as now or hereafter in force, and the approval of such petition by any United States District Court or Judge thereof;
- (d) The execution and delivery by the Undersigned of a general assignment for the benefit of creditors;
- (e) The appointment of a Receiver of the Undersigned by a Court of competent jurisdiction, which appointment of a Receiver shall not have been vacated within a period of (30) days after the date of the appointment of such Receiver.
- (f) If this Note is secured by a Security Agreement or Deed of Trust, upon the breach of any covenant contained in such Security Agreement or Deed of Trust; and

- (g) Failure of the Undersigned on February 1, 2015, to pay any then unpaid balance of this Note.
- 2. The unpaid balance of this note shall become immediately due and payable at the election of Payee upon the occurrence of any of the events of default above designated as "(a) to (f)". In case of such acceleration, the Payee may charge interest at the legal rate from the date such acceleration takes place upon the unpaid balance of principal and interest on the note.
- 3. The Undersigned shall have the right at any time to prepay the entire unpaid amount of this Note and from time to time make partial prepayments thereof in any amount without penalty or premium provided such prepayment is made on an installment due date.
- 4. While this Note remains unpaid the Undersigned shall not assign any interest (beneficial or otherwise) in this Note to any third parties without the written consent of the Payee.
- 5. This note is subject to Section 2966 of the Civil code which provides that the holder of this note shall give written notice to the Payee, or his successor in interest, of the prescribed information at least 90 and not more than 150 days before balloon payment is due.
- 6. Payee may retain someone else to help collect this Note if the Undersigned is in default. The Undersigned shall pay the Payee that amount. This includes Payee's attorney's fees and costs whether or not there is a lawsuit, including any fees on appeal. Payee may delay enforcing any of his rights without waiving them. The Undersigned agrees to submit to the jurisdiction of the court in the county in which Payee is located.
- 7. The Undersigned waives notice of any extension hereof and shall be bound to pay this Note. No party shall be released or discharged from liability by reason of any extension of time to pay installment or installments or by reason of the Payee's waiver of any term or condition of this Note. All parties hereto waive presentation for payment, demand for payment, protest and notice of protest, non-payment, dishonor and the Payee's election to accelerate the maturity of the unpaid balance of this Note.

- 8. Wherever "Payee" is referred to herein, it shall be deemed to refer to the Payee herein named or any other assignee or subsequent holder of this Note.
- 9. Each of the Undersigned hereby agrees that the term "Undersigned" as used herein means any one or more of them.
- $10\,.$  Undersigned authorizes the Payee to surrender this Promissory Note to the person making the final payment.
- 11. This Note shall be governed by the Laws of the State of California.

CRYOPORT SYSTEMS, INC.

PETER BERRY, CEO



# COMMERCIAL LEASE AGREEMENT

(C.A.R. Form CL, Revised 10/01)

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Premises: 451 Atlas, Brea CA 92821				
7. PAYMENTS:	TOTAL DUE	PAYMENT	BALANCE DUE	DUE DATE
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A. Rent: FromToDateDate			25	
E. Security Deposit	\$	\$	\$	
5. Security Deposit				
C. Other:	\$	\$	s	
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PARKING: Tenant is entitled to     to parking □ is □ is not included in the 8a	unterenter	and	reserved vehic	de parking spaces. The rig
to parking is per included in the day be an additional \$ per r campers, buses or trucks (other than pick-up leaking oil, gas or other motor vehicle fluids vehicles is not allowed in perking opace(a) or s.  ADDITIONAL STORAGE: Storage is permitted. The right to additional storage space is less storage space shall be an additional \$ store property that is claimed by another, or in perishable goods. flammable materials, explicitan-up of any contamination caused by Tendician-up of siny contamination caused by Tendician-up of siny contamination caused by Tendician-up of siny contamination caused by Tendician-up of single inforcement and account received by Landiord within 5 calenders \$ 500.00 \$ \$00.00 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	trucks). Tenant shall park all not be parked in pare elsewhere on the Premises d as follows:  so rot included in the E per month n which another has any ri osives, or other dangerou ant's use of the storage are Tenant acknewledges that int of which are extremely unting expenses, and late r days after date due, or 10% interest per arnum of t agree that these charges ty late charge, delinquent ISF fee shall not conctitute	in assigned space(sinking spaces or on the No overnight parkin has Rent charged p. Terrant shall store tight, title, or interest, as or hazardous matera, either late psyment of difficult and impraction the delinquent amonthe delinquent amont	s) only, Parking space(s) and Premises. Mechanical way is permitted.  John Premises. Mechanical way is permitted.  John Personal property that Tenant shail not store any is arial. Tenant shail pay for, of Rentor issuance of a NSI coal to determine. These con Landlord, If any installment ned NSF, Tenant shail pay ount and \$25.00 as a NSF reasonable estimate of the due shall be paid with the efault of Tenant, Landlord's in the present and the shall be paid with the efault of Tenant, Landlord's in the present and the paid with the efault of Tenant, Landlord's in the present and the pres	not included in Base Ret Tenant owns, and shall in improperly packaged food and be responsible for, the F check may cause Landlot sts may include, but are in t of Rent due from Tenant by to Landlord, respectively fee, any of which shall to costs Landlord may incur- current installment of Ret right to collect a Late Chen right to collect a Late Chen
<ol> <li>CONDITION OF PREMISES: Tenant has exploited as exceptions: premises taken in them litters listed as exceptions shall be dealt with in the control of the contr</li></ol>	as-is condition.  In the following manner:  The Premises subject to all  termises are now or in the forgrees to pay for all utilities.  I bill NET charges	local, state and fode uture will be suitable in and services directly (not to exceed \$	ral laws, regulations and on for Tenant's use. Tenant has billed to Tenant, tenant; 2.50/SF) on quarter2;	dinances ("Laws"). Landior s made its own investigatio pays own utilities y basis.
area maintenance, consolidated utility and to the total square footage of the rentable s	service bills, insurance, an	nd real estate taxes, t		
OR B. (If checked) Paragraph 14 does not ap				
15. USE: The Premises are for the sole use as As				
No other use is permitted without Landlord's				
property insurance, Tenant shall pay for the in-				
16. RULES/REGULATIONS: Tenent agrees to co time posted on the Premises or delivered to 1 endanger, or interfere with other tenants of the using, manufacturing, selling, storing, or tran nulsance on or about the Premises.	Tenant. Tenant shall not, a he building or neighbors, o	and shall ensure that or use the Premises	guests and licensees of Te for any unlawful purposes,	mant do not, disturb, anno including, but not limited to
<ol> <li>MAINTENANCE:         <ul> <li>A. Tenant OR  (If checked, Landlord) should be water systems, if any, and keep gloos, who the Premises, Landlord may contract for or B. Landlord OR (If checked, Tenant) shall</li> </ul> </li> </ol>	dows and doors in operab perform such maintenance	le and safe condition e, and charge Tenant	Unless Landlord is chooke for Landlord's cost.	
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The copyright laws of the United States (Title 1 unauthorized reproduction of this form, of any port machine or any other means, including facsimile or Copyright © 1998-2001, CALIFORNIA ASSOCIA INC. ALL RIGHTS RESERVED.	tion thereof, by photocopy r computerized formats.	Landlord and Tenan page. Landlord's Initia Tenant's Initia		opy of this
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CL-11 REVISED 10/01 (PAGE 2 of 6)	DESCRIPTION OF THE PROPERTY OF	Broker or Designee		and the same of th
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	03/10/2003 11:33 /1438908/2	STEVE KERHART	PAGE Ø5
		De	te January 20, 2005
Prei	emises: 451 Atlas, Brea CA 22821	and the state of t	ures and signs, without Landlord's
18.	I. ALTERATIONS: Tenant shall not make any alterations in a abor- prior written consent, which shall not be unreasonably withheld. permits. Tenant shall give Landlord advance notice of the comme Notice of Non-Responsibility to prevent potential lices against to	encement date of any planned alteration, so that andord's interest in the Premises, Landlord ma	Landlord, at its option, may post a sy also require Tenant to provide
19.	I. GOVERNMENT IMPOSED ALTERATIONS: Any addragotis requ	med by that ab a resent of the second	tenants responsibility. Landoid
	shall be responsible for any other afterations required by Law.  D. ENTRY: Tenant shall make Promises available to Landlord or Lar repeirs, alterations, or improvements, or to supply necessary or a mortgagees, lenders, appraisers, or contractors. Landlord and Tenotice. In an emergency, Landlord or Landlord's representative manuals. SIGNS: Tenant authorizes Landlord to place a FOR SALE sign of	enant agree that 24 hours notice (oral or written)	shall be reasonable and sufficient
21.	1. SIGNS: Tenant authorizes Landlord to place a FOR SALE sign of for Cor Cor (or Cor) day period preceding the termination of the core of	the agreement	
	<ol> <li>SUBLETTING/ASSIGNMENT: Tenent shall not sublet or encumb it, without the prior written consent of Landlord, which shall in assignment, transfer, or ancumbrance of the Pramises, agreemen and void, and, at the option of Landlord, terminate this agreems application and credit information for Landlord's approval, and, if consent to any one sublease, assignment, or transfer, shall not to</li> </ol>	ier air of any part of Premises, or assign of which not be urreasonably withheld. Unless such con it, or tenancy, by voluntary act of Tenam, operatio ent. Any proposed sublessee, assignee, or trans approved, sign a separate witten agreement with be construed as consent to any subsequent sub-	n of law, or otherwise, shall be nul sleree shall submit to Landlord an th Landlord and Tenant, Landlord's lease, assignment, or transfer, and
	<ol> <li>POSSESSION: If Landlord is unable to deliver possession or Pre- possession is made available to Tenant. However, the expiration deliver possession within 60 (or</li></ol>	In date shall remain the same as specified in par- lays after agreed Commencement Date, Tenant	may terminate this agreement by
24.	giving written notice to Landlord, and shall be returned as remaind.  4. TENANT'S OBLIGATIONS UPON VACATING PREMISES: Upo opening devices to Premises, including any common areas; (ii) property; (iii) vacate all parking and storage spaces; (iv) delive clean Premises; (vi) give written notice to Landlord of Tenant's for	vacate Premises and surrender It to Landlord or Premises to Landlord In the same condition a	empty of all belsons and belsons
	All I without I and a without I and a	role consent become the property of Landlord	upon termination, Landord me
	nevertheless require Tenant to remove any such improvement that BREACH OF CONTRACT/EARLY TERMINATION: In event Ten abandons the premises, or gives notice of tenants intent to termi partigraph 24. Tenant shall also be responsible for lost rent, re Premises for re-rental. Landlord may also recover from Tenant; (i) of termination, (ii) the worth, at the time of award, of the amount of award exceeds the amount of such rental loss the Tenant prov the amount by which the unpaid Fent for the balance of the term could be reasonably avoided. Landlord may elect to continue to possession, by either written notice of termination of possession arrone all Landlords rights and premedies under this agreement.	at did not exist at the time possession was made a lant, prior to expiration of this agreement, breach inate this tenancy prior to its expiration, in addition rental commissions, advertising expenses, and I the worth, at the time of award, of the unpaid Re by which the unpaid Rent that would have been a less could have been reasonably avoided; and (iii) after the time of award exceeds the amount of the tenancy in effect for so long as Landlord do nor by reletting the Premises to another who tai including the right to recover the Rent as it become	es any obligation in this agreement in to any obligations established by painting costs necessary to read; in that had been earned at the time earned after expiration until the time of the worth at the time of award, such rental loss that Tenant prove- ses not terminate. Tenant's right to test possession, and Landord ma-
	6. DAMAGE TO PREMISES: If, by no fault of Terant, Premises a casualty, Landlord shall have the right to restore the Premises be such restoration within 90 days from the date of damage, subjet Landlord is unable to restore the Premises within this time, or it agreement by giving the other written notice. Rent shall be abate to which the damage interferes with Tenant's reasonable use of Landlord shall have the circle of termination and to reduction in R.	are totally or partially damaged or destroyed by y repair or rebuilding. If Landlord elects to repair of to terms of this paragraph, this agreement sha if Landlord elects not to restore, then either Lan- ed as of the date of damage. The abated amounted, and the damage is not repaired, then Rent shared Premises if damage occurs as a result of an activent shall be made.	fire, earthquake, accident or othe or rebuild, and is able to complet if remain in full force and effect. I clord or Tenant may terminate this is shall be the current morthly Bas- rall be reduced based on the exter of Tenant or Tenants guests, only
27.	<ol> <li>HAZARDOUS MATERIALS: Tenant shall not use, store, general which the Premises are part. However, Tenant is permitted to Tenant's business provided that Tenant complies with all applica removal and remediation, or any dean-up of any contamination or.</li> </ol>	ite, release or dispose of any hazardous material make use of such materials that are required to able Laws related to the hazardous materials. To	be used in the normal course of
28.	<ol> <li>CONDEMNATION: If all or part of the Premises is condemned for given to the condemner. All condemnation proceeds, exclusive of</li> </ol>	or public use, either party may terminate this agre	ement as of the date possession is relocation costs and trade fixtures
28,	belong to Landlord  8. INSURANCE: Tenant's personal property, fixtures, equipment, in theit, vandalism, rain, water, criminal or negligent acts of others. Tenant from any such lose. In addition, Tenant shall curry liability insurance shall name Landlord and Landlord's agent as addition of insurance establishing Tenant's compliance. Landlord shall in \$1,000,000.00 . plus property insurance in an amount business interruption insurance in an amount at least sufficient to	i, or any other cause. Tenant is to carry Tenant's insurance in an amount of not less than \$1,000 at insured. Tenant, upon Landlord's request, sha aintain liability insurance insuring Landlord, but a sufficient to cover the replacement cost of the p	own property insurance to protect, 000,00 . Tenent's liability in provide Landlord with a certificat of Tenent, in an amount of at leas roperty. Tenant is advised to carr
	a policy of rental loss insurance. Both Landlord and Tenant release loss or damage covered by insurance.	se each other, and waive their respective rights to	subrogation against each other, for

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Reviewed by Broker or Designee \_ Date

CL-11 REVISED 10/01 (PAGE 3 of 6)

COMMERCIAL LEASE AGREEMENT (CL-11 PAGE 3 OF 6)

714389007	STEVE KERHART	PAGE 0
	0)	
mises: 451 Atlas, Bres CA 92821	Date	Japaszy 20, 2005
Tenant by Landlord or Landlord's agent, within and in full force, or in full force as modified, a acknowledgment that the tenancy statement is to by Landlord as a material breach of this agreement in confidence) reasonably requested by a price LANDLORD'S TRANSFER: Tenant agrees that	CATE): Tenant shall execute and return a tenancy statement (es days after its receipt. The tenancy statement shall acknowledge thind state the modifications. Failure to comply with this requirement is and correct, and may be relied upon by a prospective lender or put. Tenant shall also prepare, execute, and deliver to Landlord any fip opportive lender or buyer. The transferee of Landlord's interest shall be substituted as Landlord to regarding the security deposit is returned to the transferee. For all other obligations under this agreement, Landlord the transferee.	t: (i) shall be deemed Tena urchaser, and (ii) may be trea inancial statement (which will under this agreement. Land
liability to Tenant, upon Landlord's transfer. SUBORDINATION: This agreement shall be si mortgage subsequently placed upon the real pro and to all renewals, modifications, consolidations after execution of this agreement, Tenant's right. Tenant exists Renefarm operations and reform	bordinate to all existing liens and, at Landkord's option, the lien of perty of which the Premises are a part, and to any advances made replacements, and extensions. However, as to the lien of any deed to to quiet possession of the Premises shall not be disturbed if Tenant all of the provisions of this agreement, unless this agreement is othe	of any first deed of trust or on the security of the Promis of trust or mortgage entered to not in default and so long envise terminated pursuant to
terms, if any mortgagee, trustee, or ground lesse, trust, or ground lesse, and gives written notice to	r elects to have this agreement placed in a security position prior to Tenant, this agreement shall be deemed prior to that mortgage, deed	the Heri of a mortgage, deed d of trust, or ground lease, or
TENANT REPRESENTATIONS: CREDIT: Tenant authorizes Landlord and Broker(s) to obsproval, modification, or enforcement of this aggregate report(s); or (iii) at any time, upon discovery.	nt werrants that all statements in Tenant's financial documents and tain Tenant's credit report at time of application and periodically du reement Landlord may cancel this agreement; (f) before occupancy ring that information in Tenant's application is false. A negative cre noy, if Tenant fails to pay Rent or comply with any other obligation un	uring tenancy in connection of begins, upon disapproval of edit report reflecting on Tena
DISPUTE RESOLUTION:  A. MEDIATION: Tenant and Landlord agree to not before reporting to arbitration or court action, provision is initialed. Mediation fees, if any, significant applies, any party commences an action with been made, then that party shall not be entitle. THIS MEDIATION PROVISION APPLIES WHO	rediate any dispute or claim arising between them out of this agreems subject to peragraph 346(2) below. Paragraphs 346(2) and (3) appail be divided equally among the parties involved, if for any dispute rut first attempting to resolve the matter through mediation, or refused to recover attorney fees, even if they would otherwise be available ETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.	ent, or any resulting transact sly whether or not the arbitra or claim to which this paragr is to mediate after a request to that party in any such act
award in accordance with substan	Tenant and Landlord agree that any dispute or s agreement or any resulting transaction, which utral, binding arbitration, including and subject to retired judge or justice, or an attorney with at lea ss the parties mutually agree to a different arbitral tive California Law. In all other respects, the arbitral tive California Code of Civil Procedure. Judgmen y court having jurisdiction. The parties shall have to	tor, who shall render ation shall be conduct
(2) EXCLUSIONS FROM MEDIATION AND judicial or non-judicial foreclosure or other act Civil Code §2985; (ii) an unlawful detainer act a probate, small claime, or bankruptcy court; Civil Procedure §337.1 or §337.15 applies. The receiverable, injunction, or other provisional re (3) BROKERS: Tenant and Landlord agree to Brokers shall have agreed to such mediation. Any election by either or both Brokers to partice.	ARBITRATION: The following matters are excluded from Mediation on or proceeding to enforce a deed of trust, mortgage, or installment ion; (ii) the filling or anforcement of a mechanic's lien; (iv) any matte and (v) an action for bodily injury or wrongful death, or for latent or a filling of a court action to enable the recording of a notice of pending medies, shall not constitute a violation of the mediation and arbitration or mediate and arbitratic disputes or claims involving either or both is or arbitration, prior to, or within a reasonable time after the dispute or lopate in mediation or arbitration shall not result in Brokers being deen IE SPACE BELOW YOU ARE AGREEING TO HAVE.	I land sale contract as define or that is within the jurisdiction patent defects to which Cod g action, for order of attachm in provisions. Brokers, provided either or b or claim is presented to Brok- med parties to the agreement
OUT OF THE MATTERS INCLUDED ARBITRATION AS PROVIDED BY POSSESS TO HAVE THE DISPUTI	IN THE 'ARBITRATION OF DISPUTES' PROVISION CALIFORNIA LAW AND YOU ARE GIVING UP AN ELITIGATED IN A COURT OR JURY TRIAL. BY INI'	DECIDED BY NEUTR NY RIGHTS YOU MIG TIALING IN THE SPA
RIGHTS ARE SPECIFICALLY INCL TO SUBMIT TO ARBITRATION A ARBITRATE UNDER THE AUTH	DUR JUDICIAL RIGHTS TO DISCOVERY AND API UDED IN THE 'ARBITRATION OF DISPUTES' PROV FTER AGREEING TO THIS PROVISION, YOU MA' ORITY OF THE CALIFORNIA CODE OF CIVIL	VISION. IF YOU REFU
	RSTAND THE FOREGOING AND AGREE TO SUBN	
OUT OF THE MATTERS INCLUI	DED IN THE 'ARBITRATION OF DISPUTES' PRO Landlord's Initials / Tenant's In	DVISION TO NEUTR

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Landlord's Initials (\_\_\_\_\_\_) (\_\_\_\_\_)
Tenant's Initials (\_\_\_\_\_\_R\_\_\_) (\_\_\_\_\_\_)

CL-11 REVISED 10/01 (PAGE 4 of 6)

COMMERCIAL LEASE AGREEMENT (CL-11 PAGE 4 OF 6)

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X X X

Pre	mises 451 Atlas, Brea CA 92821	Date January 20, 2005
	performance of all obligations of Tenant under this agreement, identity with	Tenant, each one shall be individually and completely responsible for the h every other Tenant, and individually, whether or not in possession. wing address or location, or at any other location subsequently designated. Tenant: Cayoport Systems Inc.
	340 W. Central Ste 136, Brea CA	451 Atlas, Spea CA
	Mr. Gastano Saufini CEC	Mr. Peter Rerry
	Ph 949.275.8214 / Fx 714.256.0841	Ph 714.256.6100
	PR 345.2/3.4214 / PR 714.250,0544	EL 121.800.9400
38.	or (iii) 5 days after malling notice to such location by first class mail, post WAIVER: The waiver of any breach shall not be construed as a continuir INDEMNIFICATION: Tenant shall indemnify, defend and held Landlore arising out of Tenant's use of the Premises.	I receipt by either party or their agent; (ii) written acknowledgement of notice; age pre-paid, ng waiver of the same breach or a waiver of any subsequent breach, if harmless from all claims, disputes, litigation, judgments and attorney fees
	<del> </del>	
	The following ATTACHED supplements/exhibits are incorporated in this a	greement:
	reasonable attorney fees and costs from the non-prevaiting Landlord or T ENTIRE CONTRACT: Time is of the essence. All prior agreements constitutes the entire contract. It is intended as a final expression of the agreement or contemporaneous oral agreement. The parties further inter- terms, and that no extrinsic evidence whatsoever may be introduced in an	between Landlord and Tenant are incorporated in this agreement, which e perfless agreement, and may not be contradicted by evidence of any prior not that this agreement constitutes the complete and exclusive statement of its my judicial or other proceeding, if any, involving this agreement. Any provision enforceability of any other provision in this agreement. This agreement shall
42.	BROKERAGE: Landord and Tenant shall each pay to Broker(s) the I Landlord has utilized the services of, or for any other reason owes confinder, or other entity, other than as named in this agreement, in confinquiries, introductions, consultations, and negotiations leading to this a	fee agreed to, if any, in a separate written agreement. Neither Tenant nor impensation to, a licensed real estate broker (individual or corporate), agent, nection with any act relating to the Premises, including, but not limited to, agreement. Tenant and Landford each agree to indemnify, defend and hold from and against any costs, expenses, or liability for compensation claimed
43.	AGENCY CONFIRMATION: The following agency relationships are here Listing Agent: no brokers involved. (Print the Landlord exclusively; or both the Tenant and Landlord.	Firm Name) is the agent of (check one):
	Selling Agent no bzokers involved. (Pinni  the Tenant exclusively; or the Landlord exclusively; or both the Real Estate Brokers are not parties to the agreement between Tenant an	
ına	copyright laws of the United States (Title 17 U.S. Code) forbid the uthorized reproduction of this form, or any portion thereof, by photocopy	
Cop	thine or any other means, including facsimile of computerized formats, yright @ 1990-2001, CALIFORNIA ASSOCIATION OF REALTORS®, ALL RIGHTS RESERVED.	Tenant's Initials ( B )( )
		Roviewed by
CL.	11 REVISED 10/01 (PAGE 5 of 6)	Broker or Dosignee Date
	Applitude 1	
21.74	COMMERCIAL LEASE AGRE	EMENT (CL.11 PAGE 6 OF 6)

Landlord and Tenant acknowledge and agree that Brokers: (i) do not guarantee the condition of the Premises; (ii) cannot verify representations made by others; (iii) will not verify zoning and land use restrictions; (iv) reproduce (egal of rad advice; iv) will not provide other advice or information that exceeds the knowledge, education or experience required to occasin a read estate license. Purificre required to occasin a read estate locane. Purificre required to occasion and occasion and occasion and occasion and occasion appropriate professionals.  Terrant  Date	Premises: 451 Atlas, Bres CA 92821		Date	January 20, 200	5
City BISEA State CA Zip  Tenent CREEKER BOTTY CBO 714.256.6100  Perform Remine State CA Zip  Date Mach II 200  Reter Bottry CBO 714.256.6100  Address 451 Actions Press CA City BiseA State CA Zip  Landlord Counter or agent with authority to enter into this agreement)  G. Xanfant CBO  Address 26 W. Central Ste 136  City BiseA State CA Zip  Landlord Counter or agent with authority to enter into this agreement)  Brea Hospital Properties LIC  Address Action State CA Zip  Address Action State CA Zip  Address Action State CA Zip  Address City State Zip  Agency relationships are confirmed as above. Real enter brokers who are not also Landlord in this agreement are not a parry to the agreement betwee Landlord and Tenant.  Real Estate Broker (Leasing Firm) Bo brokers involved.  By (Agent) Date  Real Estate Broker (Listing Firm) Bo brokers involved.  By (Agent) Date  Fax City State Zip  This Poline Mas Been Approved by The CAUFORNIA ASSOCIATION OF REAL TORSe (CA.R.), NO REPPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OF ADDROVACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION A REAL ESTATE BROKER IS THE PERSON CUALIFIED TO ADVISE ON REAL STATE TRANSACTIONS IF TOU Coster Lecol. ON TAY ADVISE, CONSELT AN APPROPRIATE PROFESSIONAL  THIS POINT HAS BEEN APPROVED BY THE CAUFORNIA ASSOCIATION OF REAL TORSe (CA.R.), NO REPPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OF ADDROVACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION A REAL ESTATE BROKER IS THE PERSON CUALIFIED TO ADVISE ON REAL STATE TRANSACTIONS IF TOU Coster Lecol. ON TAY ADVISE, CONSELT AN APPRICATION IS PROVISION ON REAL STATE TRANSACTIONS IN THE PERSON CUALIFIED TO ADVISE ON REAL STATE TRANSACTIONS IN THE PERSON CUALIFIED TO ADVISE ON REAL STATE INCREMENT AND PROVISION IN ANY SPECIFIC TRANSACTIONS AND REAL ESTATE BROKER IS THE PERSON CUALIFIED TO ADVISE ON REAL STATE INCREMENT AND PROVISION IN ANY SPECIFIC TRANSACTION OF REAL TORSe when subscribe to its Code of Ethics.  This Scrippe Advise and State Code of Ethics.  This Scrippe Advise Advised Broker Code of Ethics.  T	verify representations made by others advice; (v) will not provide other advi- obtain a real estate license. Furthermo- decide what rental rate a Tenant shou terms of tenancy. Landlord and Tenan	(iii) will not verify zoning and land use rest ice or information that exceeds the knowledge, one, if Brokers are not also acting as Landlors and one or Landlord should accept; and (vii).	rictions; (Iv) can ge, education or I in this agreem do not decide u	experience request, Brokers: (vi)	or tax uired to do not
City BISEA State CA Zip  Tenent CREEKER BOTTY CBO 714.256.6100  Perform Remine State CA Zip  Date Mach II 200  Reter Bottry CBO 714.256.6100  Address 451 Actions Press CA City BiseA State CA Zip  Landlord Counter or agent with authority to enter into this agreement)  G. Xanfant CBO  Address 26 W. Central Ste 136  City BiseA State CA Zip  Landlord Counter or agent with authority to enter into this agreement)  Brea Hospital Properties LIC  Address Action State CA Zip  Address Action State CA Zip  Address Action State CA Zip  Address City State Zip  Agency relationships are confirmed as above. Real enter brokers who are not also Landlord in this agreement are not a parry to the agreement betwee Landlord and Tenant.  Real Estate Broker (Leasing Firm) Bo brokers involved.  By (Agent) Date  Real Estate Broker (Listing Firm) Bo brokers involved.  By (Agent) Date  Fax City State Zip  This Poline Mas Been Approved by The CAUFORNIA ASSOCIATION OF REAL TORSe (CA.R.), NO REPPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OF ADDROVACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION A REAL ESTATE BROKER IS THE PERSON CUALIFIED TO ADVISE ON REAL STATE TRANSACTIONS IF TOU Coster Lecol. ON TAY ADVISE, CONSELT AN APPROPRIATE PROFESSIONAL  THIS POINT HAS BEEN APPROVED BY THE CAUFORNIA ASSOCIATION OF REAL TORSe (CA.R.), NO REPPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OF ADDROVACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION A REAL ESTATE BROKER IS THE PERSON CUALIFIED TO ADVISE ON REAL STATE TRANSACTIONS IF TOU Coster Lecol. ON TAY ADVISE, CONSELT AN APPRICATION IS PROVISION ON REAL STATE TRANSACTIONS IN THE PERSON CUALIFIED TO ADVISE ON REAL STATE TRANSACTIONS IN THE PERSON CUALIFIED TO ADVISE ON REAL STATE INCREMENT AND PROVISION IN ANY SPECIFIC TRANSACTIONS AND REAL ESTATE BROKER IS THE PERSON CUALIFIED TO ADVISE ON REAL STATE INCREMENT AND PROVISION IN ANY SPECIFIC TRANSACTION OF REAL TORSe when subscribe to its Code of Ethics.  This Scrippe Advise and State Code of Ethics.  This Scrippe Advise Advised Broker Code of Ethics.  T	Tenant		Date Jan	mary 31, 2005	4.1
Address 451 At Lage Brea CA City BREA State CA Zip  Date Mach II 200  Print name)  Date Zing State Zip  Counter or agent with authority to enter into this agreement)  Grant and State Sta	Cryoport Systems Inc.				
Tenent Betty C80 714.256.6100  Petter Betty C80 714.256.6100  Potter Betty C80 714.256.6100  Address 451 Atlas, Brea CA  City State Zp  Date  G. Tantini C80  Address 340 W. Central Sto 136  Landlord  Gowiner or signif with authority to enter into this agreement)  G. Tantini C80  Address 340 W. Central Sto 136  Landlord  Gowiner or signif with authority to enter into this agreement)  Brea Bespital Properties ILC  Address  City State Zip  Agency relationships are confirmed as above. Real estate brokers who are not also Landlord in this agreement are not a party to the agreement betwee Landlord and Tenant.  Real Estate Broker (Leasing Firm) no brokers involved.  By (Agent)  Date  Address  City State Zip  This Polink HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REAL TORSIO (C.A.R., NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OF ADDRESS OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON CUALIFIED TO ADVISE ON REAL ESTATE RECORD IS	Address 451 Atlas Brea CA	City BREA	State CA	Zip	
Packer Bextry CBO 714.256.6100  [Ciffed Toams] Address 451 Actas, Brea CA  City State Zp  Landlord  [Cowner or signet with authority to enter into this agreement)  G. Zanfini CBO  Address 340 W. Gentral Ste 136  City Brea  State a Zp  Date Jannaxy 31, 2005  Cowner or agent with authority to enter into this agreement)  Brea Bospital Properties ILC  City State Zip  Agency relationships are confirmed as above. Real estate brokers who are not also Landlord in this agreement are not a party to the agreement betwee Landlord and Tenant.  Real Estate Broker (Leasing Firm) no brokers involved.  By (Agent)  Date  Address  City State Zip  Telephone  Fax E-mail  Real Estate Broker (Lieting Film) po brokers involved.  By (Agent)  Date  Address  City State Zip  Telephone  Fax E-mail  Telephone  Fax E-mail  Telephone  Fax E-mail  Telephone  Fax Brown HAS BEEN APPROVED By THE CALIFORNIA ASSOCIATION OF REAL TORSE (C.A.R., NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY of ADDRESS (C.A.R.)  This form is available for use by the entire real selete Incustry, if is not intended to identify the user as a REAL TORSE, CALIFORNIA REAL CITY IN THE ACT OF THE ALTORSE (C.A.R.)  This form is available for use by the entire real selete Incustry, if is not intended to identify the user as a REAL TORSE, is a suggested collective membership ma whom they be used on the NATHONIA ABSOCIATION OF REAL TORSE (C.A.R.) and the properties is a suggested collective membership ma whom they be used on the NATHONIA ABSOCIATION OF REAL TORSE (C.A.R.) and the properties is a suggested collective to the NATHONIA ABSOCIATION OF REAL TORSE (C.A.R.) and the properties is a suggested collective to the NATHONIA ABSOCIATION OF REAL TORSE (C.A.R.) and the properties is a suggested of the California and the NATHONIA ABSOCIATION OF REAL TORSE (C.A.R.) and the properties is a suggested of the C.A.R. AND ORDER (C.A.R.) and the properties is a suggested of the C.A.R. AND ORDER (C.A.R.) and the properties is a suggested on the NATHONIA ABSOCIATION OF REAL TORSE (C.A.R.					
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Landlord (cover or agent with authority to enter into this agreement)  C. Zanfini CEO  Address 340 W. Central Ste 136  City Brea  State ca Zip  Date January 31, 2005  City Brea  City State Zip  Address Hospital Properties LIC  City  State Zip  Address Elsate Broker (Leasing Firm) no brokers involved.  By (Agent)  Date  Fax  City  State  City  State  Zip  Date  Address  City  State  Zip  Telephone  Fax  City  State  City  State  Zip  Telephone  Fax  E-mail  Telephone  Fax  City  State  Zip  Telephone  Fax  City  State  Zip  Telephone  Fax  City  State  Zip  Telephone  Fax  E-mail  Telephone  Fax  City  State  Zip  Telephone  City  State  Zip  Telephone  Fax  City  State  Zip  Telephone  Fax  City  State  Zip  Telephone  City  State  Zip  Telephone  City  State  Zip  Telephone  T	(Print name)	CII-	C1-1-	7-	
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# ADDENDUM TO LEASE

Re: 451 Atlas, Brea, CA Single Tenant Industrial Building

As mutually agreed, tenant shall be granted free rent for months, 6, 12, 18, and 24.

Tenant:

Cryoport Systems Inc

Mr. Peter Berry

Landlord:

Brea Hospital Properties, LLC Mr. Gaetano Zanfini CEO

/N

# STOCK EXCHANGE AGREEMENT

STOCK EXCHANGE AGREEMENT, dated as of March 15, 2005 (this "AGREEMENT"), by and among **G T 5-Limited**, a Nevada corporation ("GTFV"), Dante Pannella, a shareholder of GTFV (the "GTFV Shareholder") **CryoPort Systems, Inc.**, a California corporation ("CryoPort"):

# RECITALS

WHEREAS, CryoPort and GTFV have each determined that the transactions contemplated by this Agreement, on the terms and conditions of this Agreement, would be advantageous and beneficial to their respective companies and shareholders.

WHEREAS, the parties hereto desire to consummate the transactions contemplated herein, pursuant to which (a) GTFV will transfer to the shareholders of CryoPort an aggregate of 24,108,105 shares (collectively, the "CryoPort Shares") of Common Stock, par value \$0.001 per share, and (b) CryoPort shareholders, in exchange therefore, will transfer to GTFV an aggregate of 24,108,105 shares (collectively, the "GTFV Shares") of Common Stock, no par value, representing all of the issued and outstanding common stock of CryoPort.

WHEREAS, for United States federal income tax purposes, the transactions contemplated hereby are intended to qualify as a tax-free reorganization under Section 368 of the Internal Revenue Code of 1986, as amended (together with all rules and regulations issued thereunder (the "Code")) and this Agreement is intended to be adopted as a plan of reorganization for purposes of Section 368 of the Code.

NOW, THEREFORE, in consideration of the premises and the representations, warranties and agreements herein contained, the parties hereto agree as follows:

# ARTICLE I

# **DEFINITIONS**

SECTION 1.1. DEFINITIONS. As used herein, the following terms shall have the following meanings:

"Act" means the Securities Act of 1933, as amended, and the rules and regulations issued in respect thereto.

"Encumbrance" means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property to secure payment of a debt or performance of an obligation or other priority or preferential arrangement of any kind or nature whatsoever.

"Law" means any law, statute, regulation, rule, ordinance, requirement or other binding action or requirement of any governmental, regulatory or administrative body, agency or authority or any court of judicial authority.

"Order" means any decree, order, judgment, writ, award, injunction, stipulation or consent of or by any Federal, state or local government or any court, administrative agency or commission or other governmental authority or agency, domestic or foreign.

"Person" means any individual, corporation, general or limited partnership, joint venture, association, limited liability company, joint stock company, trust, business, bank, trust company, estate (including any beneficiaries thereof), unincorporated entity, cooperative, association, government branch, agency or political subdivision thereof or organization of any kind.

"Transaction Documents" means this Agreement and any ancillary contracts, agreements or other documents that are to be entered into in connection with the transactions contemplated hereby.

## ARTICLE II

## EXCHANGE OF STOCK

SECTION 2.1. EXCHANGE OF SHARES. Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined):

- (a) GTVF shall issue and deliver to each of the shareholders of CryoPort (the "CryoPort Shareholders") one share of GTVF common stock for each share of CryoPort common stock owned by such shareholder, for an aggregate of 24,108,105 shares of GTVF common stock, and
- (b) the Company shall cause each CryoPort Shareholder shall deliver to GTFV, one or more stock certificates, duly endorsed for transfer, representing all shares of CryoPort Common stock owned by such shareholder, for a aggregate of 24,108,105 shares of Common Stock; and
- (c) GTFV currently has 5,600,000 shares of its \$0.0001 par value common stock issued and outstanding. After giving effect to the exchange of shares herein, GTFV shall have 28,061,690 shares of common stock issued and outstanding.
- (d) Following the exchange and receipt by the CryoPort Shareholders of the GTFV Shares, such CryoPort Shareholders shall own approximately 80% percent of the total issued and outstanding shares of GTFV common stock, and shall assume control of GTFV, whose common stock is qualified for trading on the Pink Sheets stock exchange under the symbol ("GTFV").

## SECTION 2.2. THE CLOSING.

(a) Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the "Closing") shall take place as promptly as possible but no later than the fifth (5<sup>th</sup>) business day following the day the last of the conditions set forth in Article V shall have been fulfilled or waived (other than those that this Agreement contemplates will be satisfied at or immediately prior to the Closing), or at such other time as shall be mutually agreed upon by GTFV and CryoPort (the "Closing Date").

- (b) Subject to the conditions set forth in this Agreement, the parties agree to consummate the following transactions at the Closing:
- (i) the CryoPort Shareholders shall assign and transfer to GTFV the GTFV Shares, by physically delivering to GTFV one (1) or more stock certificates duly endorsed or accompanied by duly executed stock powers (with a medallion guaranty, if requested) sufficient to validly transfer the GTFV Shares to GTFV or its nominee; and
- (ii) GTFV shall issue to each CryoPort Shareholder one share of GTFV common stock for each share of CryoPort Common Stock transferred by such CryoPort Shareholder, by physically delivering to such CryoPort Shareholder a stock certificate in the name of such CryoPort Shareholder representing the number of shares due such CryoPort Shareholder.
- (iii) The current director(s) of GTFV shall elect the following individuals to the board of directors of GTFV Patrick Mullens, Jeffrey Dell, Marc Grossman, Peter Berry and David Petreccia, and shall thereafter tender their respective resignations from the board of directors.
  - (iv) The current officers of GTFV shall resign, and the new board elected pursuant to subsection (iii) above shall elect new officers.

## ARTICLE III

# REPRESENTATIONS AND WARRANTIES OF GTFV AND THE GTFV SHAREHOLDER

GTFV and the GTFV Shareholder hereby jointly and severally represent and warrant to CryoPort and each CryoPort Shareholder that now and as of the Closing:

- 3.1 <u>Due Organization and Qualification; Subsidiaries; Due Authorization.</u>
- (a) GTFV is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of formation, with full corporate power and authority to own, lease and operate its respective business and properties and to carry on its respective business in the places and in the manner as presently conducted or proposed to be conducted. GTFV is in good standing as a foreign corporation in each jurisdiction in which the properties owned, leased or operated, or the business conducted, by it requires such qualification except for any such failure, which, when taken together with all other failures, is not likely to have a material adverse effect on the business of GTFV and its Subsidiaries taken as a whole.

- (b) GTFV does not own, directly or indirectly, any capital stock, equity or interest in any corporation, firm, partnership, joint venture or other entity.
- (c) GTFV has all requisite corporate power and authority to execute and deliver this Agreement, and to consummate the transactions contemplated hereby and thereby. GTFV has taken all corporate action necessary for the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement constitutes the valid and binding obligation of GTFV, enforceable against GTFV in accordance with its terms, except as may be affected by bankruptcy, insolvency, moratoria or other similar laws affecting the enforcement of creditors' rights generally and subject to the qualification that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefore may be brought.
- 3.2 No Conflicts or Defaults. The execution and delivery of this Agreement by GTFV and the consummation of the transactions contemplated hereby do not and shall not (a) contravene the Articles of Incorporation or By-laws of GTFV or (b) with or without the giving of notice or the passage of time (i) violate, conflict with, or result in a breach of, or a default or loss of rights under, any material covenant, agreement, mortgage, indenture, lease, instrument, permit or license to which GTFV is a party or by which GTFV is bound, or any judgment, order or decree, or any law, rule or regulation to which GTFV is subject, (ii) result in the creation of, or give any party the right to create, any Encumbrance or any other right or adverse interest upon any of the assets or common stock of GTFV, (iii) terminate or give any party the right to terminate, amend, abandon or refuse to perform, any material agreement, arrangement or commitment to which GTFV is a party or by which GTFV's assets are bound, or (iv) accelerate or modify, or give any party the right to accelerate or modify, the time within which, or the terms under which, GTFV is to perform any duties or obligations or receive any rights or benefits under any material agreement, arrangement or commitment to which it is a party.
- 3.3 <u>Capitalization</u>. The authorized capital stock of the GTFV immediately prior to giving effect to the transactions contemplated hereby consists of one hundred million (100,000,000) shares of Common Stock of which 5,600,000 shares of \$0.0001 par value Common Stock are issued and outstanding as of the date hereof. All of the outstanding shares of Common Stock are, and the GTFV Shares when issued in accordance with the terms hereof, will be, duly authorized, validly issued in compliance with applicable federal and state securities laws, fully paid and nonassessable, and have not been or, with respect to the GTFV Shares, will not be issued in violation of any preemptive right of stockholders. The GTFV Shares are not subject to any preemptive or subscription right, any voting trust agreement or other contract, agreement, arrangement, option, warrant, call, commitment or other right of any character obligating or entitling GTFV to issue, sell, redeem or repurchase any of its securities, and there is no outstanding security of any kind convertible into or exchangeable for Common Stock. GTFV has not granted registration rights to any person.

- 3.4 <u>Financial Statements</u>. Exhibit 3.4 to the Disclosure Schedule contains copies of the balance sheets of the GTFV at November 30, 2004, and the related statements of operations, stockholders' equity and cash flows for the eleven months then ended (all such statements being the "GTFV Financial Statements"). The Financial Statements, have been prepared in accordance with U.S. generally accepted accounting principles applied on a basis consistent throughout all periods presented, subject to audit adjustments, which are not expected to be material. Such statements present fairly the financial position of GTFV as of the dates and for the periods indicated. The books of account and other financial records of GTFV have been maintained in accordance with good business practices.
- 3.5 <u>Further Financial Matters</u>. Except for Exhibit 3.5 of the Disclosure Schedule, GTFV does not have any liabilities or obligations, whether secured or unsecured, accrued, determined, absolute or contingent, asserted or unasserted or otherwise, which are required to be reflected or reserved in a balance sheet or the notes thereto under generally accepted accounting principles, but which are not reflected in the Financial Statements.
- Taxes. GTFV has filed all United States federal, state, county, local and foreign national, provincial and local returns and reports which were required to be filed on or prior to the date hereof in respect of all income, withholding, franchise, payroll, excise, property, sales, use, value-added or other taxes or levies, imposts, duties, license and registration fees, charges, assessments or withholdings of any nature whatsoever (together, "Taxes"), and has paid all Taxes (and any related penalties, fines and interest) which have become due pursuant to such returns or reports or pursuant to any assessment which has become payable, or, to the extent its liability for any Taxes (and any related penalties, fines and interest) has not been fully discharged, the same have been properly reflected as a liability on the books and records of GTFV and adequate reserves therefore have been established. All such returns and reports filed on or prior to the date hereof have been properly prepared and are true, correct (and to the extent such returns reflect judgments made by GTFV, as the case may be, such judgments were reasonable under the circumstances) and complete in all material respects. No tax return or tax return liability of GTFV has been audited or, presently under audit. GTFV has not given or been requested to give waivers of any statute of limitations relating to the payment of any Taxes (or any related penalties, fines and interest). Except for item 3.6 of the Disclosure Schedule, there are no claims pending or, to the knowledge of GTFV or the GTFV Shareholder, threatened, against the GTFV for past due Taxes. All payments for withholding taxes, unemployment insurance and other amounts required to be paid for periods prior to the date hereof to any governmental authority in respect of employment obligations of GTFV, including, without limitation, amounts payable pursuant to the Federal Insurance Contributions Act, have been paid or shall be paid prior to the Closing and have been duly provided for on the books a

- 3.7 Indebtedness; Contracts; No Defaults.
- (a) Except as set forth on Item 3.7 of the Disclosure Schedule, GTFV is not a party to any instruments, agreements, indentures, mortgages, guarantees, notes, commitments, accommodations, letters of credit or other arrangements or understandings, whether written or oral.
- (b) Except as disclosed in Item 3.7 of the Disclosure Schedule, neither GTFV, any Subsidiary, nor, to the knowledge of GTFV or the GTFV Shareholder, any other person or entity is in breach in any material respect of, or in default in any material respect under, any material contract, agreement, arrangement, commitment or plan to which GTFV is a party, and no event or action has occurred, is pending or is threatened, which, after the giving of notice, passage of time or otherwise, would constitute or result in such a material breach or material default by GTFV or, to the knowledge of GTFV, any other person or entity. GTFV has not received any notice of default under any contract, agreement, arrangement, commitment or plan to which it is a party, which default has not been cured to the satisfaction of, or duly waived by, the party claiming such default on or before the date hereof.
- 3.8 <u>Personal Property.</u> GTFV has good and marketable title to all of its tangible personal property and assets, including, without limitation, all of the assets reflected in the Financial Statements that have not been disposed of in the ordinary course of business and such property is free and clear of all Encumbrances.
  - 3.9 Real Property. Except as set forth on Item 3.9 of the Disclosure Schedule, GTFV does not own, lease or sublease any real property.
- 3.10 Compliance with Law. GTFV is not conducting its business or affairs in violation of any applicable federal, state or local law, ordinance, rule, regulation, court or administrative order, decree or process, or any requirement of insurance carriers. GTFV has not received any notice of violation or claimed violation of any such law, ordinance, rule, regulation, order, decree, process or requirement. GTFV is in compliance with all applicable federal, state, local and foreign laws and regulations relating to the protection of the environment and human health. There are no claims, notices, actions, suits, hearings, investigations, inquiries or proceedings pending or, to the knowledge of GTFV or the GTFV Shareholder, threatened against GTFV that are based on or related to any environmental matters or the failure to have any required environmental permits, and there are no past or present conditions that GTFV has reason to believe are likely to give rise to any material liability or other obligations of GTFV or any Subsidiary under any environmental laws.
- 3.11 Permits and Licenses. GTFV has all certificates of occupancy, rights, permits, certificates, licenses, franchises, approvals and other authorizations as are reasonably necessary to conduct its business and to own, lease, use, operate and occupy its assets, at the places and in the manner now conducted and operated, except those the absence of which would not materially adversely affect its business. GTFV has not received any written or oral notice or claim pertaining to the failure to obtain any material permit, certificate, license, approval or other authorization required by any federal, state or local agency or other regulatory body, the failure of which to obtain would materially and adversely affect its business.

- 3.12 <u>Ordinary Course</u>. GTFV has conducted its business, maintained its real property and equipment and kept its books of account, records and files, substantially in the same manner as previously conducted, maintained or kept and solely in the ordinary course.
- 3.13 No Adverse Changes. There have not been (a) any material adverse change in the business, prospects, the financial or other condition, or the respective assets or liabilities of GTFV as reflected in the Financial Statements, (b) any material loss sustained by GTFV, including, but not limited to any loss on account of theft, fire, flood, explosion, accident or other calamity, whether or not insured, which has materially and adversely interfered, or may materially and adversely interfere, with the operation of GTFV's business, or (c) to the best knowledge of GTFV or the GTFV Shareholder, any event, condition or state of facts, including, without limitation, the enactment, adoption or promulgation of any law, rule or regulation, the occurrence of which materially and adversely does or would affect the results of operations or the business or financial condition of GTFV.
- Litigation. There is no claim, dispute, action, suit, proceeding or investigation pending or, to the knowledge of GTFV or the GTFV Shareholder, threatened, against or affecting the business of the GTFV, or challenging the validity or propriety of the transactions contemplated by this Agreement, at law or in equity or before any federal, state, local, foreign or other governmental authority, board, agency, commission or instrumentality, nor to the knowledge of the GTFV or the GTFV Shareholder, has any such claim, dispute, action, suit, proceeding or investigation been pending or threatened, during the 12 month period preceding the date hereof; (b) there is no outstanding judgment, order, writ, ruling, injunction, stipulation or decree of any court, arbitrator or federal, state, local, foreign or other governmental authority, board, agency, commission or instrumentality, against or materially affecting the business of GTFV; and (c) GTFV has not received any written or verbal inquiry from any federal, state, local, foreign or other governmental authority, board, agency, commission or instrumentality concerning the possible violation of any law, rule or regulation or any matter disclosed in respect of its business.
  - 3.15 <u>Insurance</u>. GTFV does not currently maintain any form of insurance.
- 3.16 Articles of Incorporation and By-laws; Minute Books. The copies of the Articles of Incorporation and By-laws (or similar governing documents) of GTFV, and all amendments to each are true, correct and complete. The minute books of the GTFV contains true and complete records of all meetings and consents in lieu of meetings of their respective Board of Directors (and any committees thereof), or similar governing bodies, since the time of their respective organization. The stock books of the GTFV are true, correct and complete.

- 3.17 <u>Employee Benefit Plans</u>. GTFV does not maintain, nor has GTFV maintained in the past, any employee benefit plans ("as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), or any plans, programs, policies, practices, arrangements or contracts (whether group or individual) providing for payments, benefits or reimbursements to employees of GTFV, former employees, their beneficiaries and dependents under which such employees, former employees, their beneficiaries and dependents are covered through an employment relationship with GTFV, any entity required to be aggregated in a controlled group or affiliated service group with GTFV for purposes of ERISA or the Internal Revenue Code of 1986 (the "Code") (including, without limitation, under Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA, at any relevant time ("Benefit Plans").
- 3.18 Affiliate Transactions. Except as disclosed in Item 3.18 of the Disclosure Schedule neither GTFV nor any officer, director or employee of the GTFV (or any of the relatives or Affiliates of any of the aforementioned Persons) is a party to any agreement, contract, commitment or transaction with GTFV or affecting the business of GTFV, or has any interest in any property, whether real, personal or mixed, or tangible or intangible, used in or necessary to GTFV which will subject GTFV, CryoPort or the CryoPort Shareholders to any liability or obligation from and after the Closing Date.
- 3.19 <u>Trading and NASD Compliance.</u> GTFV's common stock is currently quoted on the Pink Sheets under the symbol "GTFV", and GTFV is in compliance with all NASD requirements and currently has on file a Form 15c2-11, which is true, correct and complete as of the date hereof and the Closing Date. The Form 15c2-11 does no make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
- 3.20 <u>Brokers, etc.</u> GTFV is not obligated to pay any fee or commission to any broker, finder or other similar Person in connection with the transactions contemplated by this Agreement (other than any fees or commissions that are solely for the account of GTFV).

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF CRYOPORT

CryoPort represents and warrants to GTFV and the GTFV shareholder that the statements contained in this Article IV are true and correct as of the date of this Agreement and will be true and correct as of the Closing as though made as of the Closing, except to the extent such representations and warranties are specifically made as of a particular date (in which case such representations and warranties will be true and correct as of such date).

#### SECTION 4.1. POWER AND AUTHORITY; Enforceability. \

CryoPort is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. CryoPort has all requisite capacity, power and authority to execute, deliver and perform this Agreement. The Board of the Directors of CryoPort approved the transactions contemplated hereby at a duly noticed meeting held on February 10, 2005. The share exchanged contemplated hereby was approved by CryoPort Shareholders owning in the aggregate 79% of the issued and outstanding stock of CryoPort at a duly noticed meeting held on February 26, 2005. No other corporate action on the part of CryoPort is necessary to authorize the execution and delivery by CryoPort of this Agreement or the consummation by it of the transactions contemplated hereby. This Agreement has been duly executed and delivered and, upon execution by CryoPort, will constitute a valid and legally binding obligation of CryoPort, enforceable against CryoPort in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally and (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

SECTION 4.2 <u>Capitalization</u>. The authorized capital stock of CryoPort consists of 30,000,000 shares of common stock, no par value, and 5,000,000 shares of preferred stock, no par value, of which, as of the date hereof, there were 24,108,105 shares of common stock and nil shares of preferred stock, issued and outstanding. As of the date hereof, CryoPort has outstanding options and warrant to purchase 2,508,988 and 1,832,257 shares of common stock, respectively.

SECTION 4.3. OWNERSHIP; TRANSFERABILITY. CryoPort represents that, the its best knowledge, the CryoPort Shareholders are the legal and beneficial owner of the GTFV Shares, free and clear of any Encumbrance or restriction on transfer, other than (i) restrictions under the Act, (ii) restrictions reflected in a legend on the certificates representing the GTFV Shares.

SECTION 4.4. CONSENTS AND APPROVALS. Neither the execution, delivery and performance of this Agreement by CryoPort, nor the consummation by CryoPort of any transaction related hereto, will require any consent, approval, license, Order or authorization of, filing, registration, declaration or taking of any other action with, or notice to, any Person, other than such consents, approvals, filings or actions as may be required under the Federal securities laws which have or will be made.

SECTION 4.5. NO CONFLICTS. The execution and delivery by CryoPort of this Agreement, and the consummation of the transactions contemplated by this Agreement shall not, assuming the consents, approvals, filings or actions described in Section 4.4 are made or obtained, as the case may be, (a) contravene, conflict with, or result in any violation or breach of any provision of the articles of incorporation or by-laws of CryoPort, (b) result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any benefit) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, contract or other agreement, instrument or obligation to which CryoPort is a party or by which it or any of its properties or assets may be bound, or (c) conflict or violate any permit, concession, franchise, license, judgment, Order, decree, statute, law, ordinance, rule or regulation of any government, governmental instrumentality or court, domestic or foreign, applicable to CryoPort or any of its properties or assets, except in the case of (b) and (c) for any such conflicts, violations, defaults, terminations, cancellations or accelerations which would not, individually or in the aggregate, materially and adversely affect the GTFV Shares being conveyed by the CryoPort Shareholders.

SECTION 4.6. RESTRICTED. CryoPort understands that the CryoPort Shares are characterized as "restricted securities" under the Federal securities laws and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

SECTION 4.7. LEGENDS. It is understood that the certificate(s) evidencing the CryoPort Shares shall bear a legend substantially in the form below:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR WITH ANY STATE SECURITIES COMMISSION, AND MAY NOT BE TRANSFERRED OR DISPOSED OF BY THE HOLDER IN THE ABSENCE OF A REGISTRATION STATEMENT WHICH IS EFFECTIVE UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE LAWS AND RULES OR UNLESS SUCH TRANSFER MAY BE EFFECTED WITHOUT VIOLATION OF THE SECURITIES ACT OF 1933 AND OTHER APPLICABLE STATE LAWS AND RULES.

SECTION 4.8. BROKERS, etc. CryoPort is not obligated to pay any fee or commission to any broker, finder or other similar Person in connection with the transactions contemplated by this Agreement (other than any fees or commissions that are solely for the account of CryoPort).

SECTION 4.9. REVERSE SPLITS. CryoPort hereby agrees that following the consummation of the transactions contemplated hereby it not to effectuate a reverse split of its common stock for a period of 24 consecutive months thereafter.

#### ARTICLE V

### CONDITIONS PRECEDENT; RELATED COVENANTS

SECTION 5.1. CLOSING EFFORTS. Each of the parties hereto shall use its commercially reasonable efforts ("Reasonable Efforts") to take all actions and to do all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including using its reasonable best efforts to ensure that (i) its representations and warranties remain true and correct in all material respects through the Closing Date, and (ii) the conditions to the obligations of the other parties to consummate the transaction are satisfied.

SECTION 5.2. CONDITIONS PRECEDENT TO OBLIGATIONS OF CRYOPORT AND GTFV. The obligations of CryoPort to transfer the CryoPort Shares and GTFV to transfer the GTFV Shares at the Closing are subject to the fulfillment of the condition that, at the Closing, the representations and warranties of GTFV and CryoPort set forth in this Agreement that are qualified as to materiality shall be true and correct in all respects, and all other representations and warranties of GTFV and CryoPort set forth in this Agreement shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing as though made as of the Closing, except to the extent such representations and warranties are specifically made as of a particular date (in which case such representations and warranties shall be true and correct as of such date).

SECTION 5.3 CRYOPORT COVENANTS. Upon execution of this Agreement, Cryoport will immediately cause to be delivered to the CryoPort Shareholders notice of the share exchange and the procedures to be followed to consummate the exchange contemplated hereby. In addition, as to those shareholders who did not consent to the transaction, CryoPort shall deliver to them the dissenter's rights information required to be delivered pursuant to Chapter 13 of the General Corporation Law of California.

SECTION 5.4 INVESTMENT REPRESENTATION. In connection with the each CryoPort Shareholder's exchange of such shareholders shares, GTFV's transfer agent shall cause such shareholder to execute a representation in the form of the attached Exhibit A.

SECTION 5.5 NAME CHANGE. Prior to the Closing, the GTFV Shareholder shall take all steps required by applicable law to obtain board and shareholder approval of a change in GTFV's name to CryoPort, Inc. Following receipt of the required approvals, the appropriate documentation required to effect the name change shall be prepared and signed by an officer of GTFV, which documentation shall be filed with the Secretary of State of Nevada upon the Closing.

SECTION 5.6 OPTIONS AND WARRANTS. All options and warrants to purchase common stock of CryoPort outstanding as of the Closing, shall, upon the Closing be converted into options and warrants to purchase an equal number of shares of GTFV common stock at the same exercise prices.

#### ARTICLE VI

### TERMINATION

SECTION 6.1. TERMINATION BY MUTUAL CONSENT. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing by the written consent of each party hereto.

SECTION 6.2. TERMINATION BY EITHER GTFV OR CRYOPORT. This Agreement may be terminated (upon written notice from the terminating party hereto to the other party hereto) and the transactions contemplated hereby may be abandoned by action of any party hereto, if (a) the Closing shall not have occurred on or prior to \_\_\_\_\_\_, 2005 (unless, as of such time, a minimum of 50.1% of the GTFV Shares have been tendered for exchange), or (b) any Federal, state or local government or any court, administrative agency or commission or other governmental authority or agency, domestic or foreign shall have issued a Law or Order permanently restraining, enjoining or otherwise prohibiting the transactions contemplated hereby and such Law or Order shall have become final and nonappealable.

SECTION 6.3. EFFECT OF TERMINATION AND ABANDONMENT. In the event of termination of this Agreement pursuant to this Article VI hereof, no party hereto or, its directors or officers or other controlling persons shall have any liability or further obligation to any other party hereto pursuant to this Agreement, except that Article VIII hereof shall survive termination of this Agreement and nothing herein will relieve any party hereto from liability for any breach of this Agreement occurring prior to such termination.

#### ARTICLE VII

### INDEMNIFICATION

SECTION 7.1 The GTFV Shareholder hereby agrees to defend, indemnify and hold harmless each of GTFV, CryoPort and the CryoPort Shareholders (each an "Indemnified Party"), from an against, and to reimburse each Indemnified Party with respect to, all liabilities, losses, costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, asserted against or incurred by such Indemnified Party by reason of, arising out of, or in connection with any (i) transaction, act or omission to act by GTFV and/or any shareholder, director or officer thereof prior to the Closing Date, and (ii) material breach of any representation or warranty contained in this Agreement made by GTFV and/or the GTFV Shareholder or in any document or certificate delivered by GTFV and/or the GTFV Shareholder pursuant to the provisions of this Agreement or in any connection with the transactions contemplated thereby. As security for the foregoing indemnification obligation, the GTFV shareholder agrees to place into a mutually acceptable escrow 200,000 shares of GTFV common stock for a period of one year. The shares held in escrow shall be sold and the proceeds used to satisfy any indemnification claim that the GTFV and/or the GTFV Shareholder shall be required to satisfy pursuant to Section 7.3 below.

- Section 7.2 <u>Indemnity of GTFV</u>. CryoPort agrees to defend, indemnify and hold harmless GTFV and the GTFV Shareholder from and against, and to reimburse the Company with respect to, all liabilities, losses, costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, asserted against or incurred by such Seller by reason of, arising out of, or in connection with any material breach of any representation or warranty contained in this Agreement and made by CryoPort or in any document or certificate delivered by CryoPort pursuant to the provisions of this Agreement or in connection with the transactions contemplated thereby.
- Section 7.3 Indemnification Procedure. A party (an "Indemnified Party") seeking indemnification shall give prompt notice to the other party (the "Indemnifying Party") of any claim for indemnification arising under this Article VII. The Indemnifying Party shall have the right to assume and to control the defense of any such claim with counsel reasonably acceptable to such Indemnified Party, at the Indemnifying Party's own cost and expense, including the cost and expense of reasonable attorneys' fees and disbursements in connection with such defense, in which event the Indemnifying Party shall not be obligated to pay the fees and disbursements of separate counsel for such in such action. In the event, however, that such Indemnified Party's legal counsel shall determine that defenses may be available to such Indemnified Party that are different from or in addition to those available to the Indemnifying Party, in that there could reasonably be expected to be a conflict of interest if such Indemnifying Party and the Indemnified Party have common counsel in any such proceeding, or if the Indemnified Party has not assumed the defense of the action or proceedings, then such Indemnifying Party may employ separate counsel to represent or defend such Indemnified Party, and the Indemnifying Party shall pay the reasonable fees and disbursements of counsel for such Indemnified Party. No settlement of any such claim or payment in connection with any such settlement shall be made without the prior consent of the Indemnifying Party which consent shall not be unreasonably withheld.

#### ARTICLE VIII

#### GENERAL PROVISIONS; OTHER AGREEMENTS

SECTION 8.1. PRESS RELEASES. Other than any required filings under the Federal securities laws, none of the parties hereto will, without first obtaining the approval of the other, make any public announcement, directly or indirectly, regarding this Agreement, nor the nature of the transaction contemplated by this Agreement, to any person except as required by law or regulatory bodies and other than to the respective principals or other representatives of the Parties, each of whom shall be similarly bound by such confidentiality obligations. If any such press release or public announcement is so required by either party (except in the case of any disclosure required under the Federal securities laws to be made in a filing with the Securities and Exchange Commission), the disclosing party shall consult with the other parties prior to making such disclosure, and the parties shall use all reasonable efforts, acting in good faith, to agree upon a text for such disclosure which is satisfactory to each of the parties.

SECTION 8.2. TAX-FREE TRANSACTION. From and after the date of this Agreement, CryoPort shall use all reasonable efforts to cause the transactions contemplated hereby to qualify, and shall not knowingly take any actions or permit any actions to be taken that could reasonably be expected to prevent said transactions from qualifying as a "reorganization" under Section 368(a) of the Code. This Agreement shall be, and hereby is, adopted by CryoPort as a plan of reorganization for purposes of Section 368 of the Code.

Section 8.3 <u>Survival of Representations</u>, <u>Warranties and Agreements</u>. All representations and warranties and statements made by a party to in this Agreement or in any document or certificate delivered pursuant hereto shall survive the Closing Date for so long as the applicable statute of limitations shall remain open. Each of the parties hereto is executing and carrying out the provisions of this agreement in reliance upon the representations, warranties and covenants and agreements contained in this agreement or at the closing of the transactions herein provided for and not upon any investigation which it might have made or any representations, warranty, agreement, promise or information, written or oral, made by the other party or any other person other than as specifically set forth herein.

- Section 8.4 Access to Books and Records. During the course of this transaction through Closing, each party agrees to make available for inspection all corporate books, records and assets, and otherwise afford to each other and their respective representatives, reasonable access to all documentation and other information concerning the business, financial and legal conditions of each other for the purpose of conducting a due diligence investigation thereof. Such due diligence investigation shall be for the purpose of satisfying each party as to the business, financial and legal condition of each other for the purpose of determining the desirability of consummating the proposed transaction. The parties further agree to keep confidential and not use for their own benefit, except in accordance with this Agreement any information or documentation obtained in connection with any such investigation.
- Section 8.5 <u>Further Assurances</u>. If, at any time after the Closing, the parties shall consider or be advised that any further deeds, assignments or assurances in law or that any other things are necessary, desirable or proper to complete the merger in accordance with the terms of this agreement or to vest, perfect or confirm, of record or otherwise, the title to any property or rights of the parties hereto, the parties agree that their proper officers and directors shall execute and deliver all such proper deeds, assignments and assurances in law and do all things necessary, desirable or proper to vest, perfect or confirm title to such property or rights and otherwise to carry out the purpose of this Agreement, and that the proper officers and directors the parties are fully authorized to take any and all such action.

SECTION 8.6. EXPENSES. Regardless of whether the transactions contemplated hereby are consummated, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party hereto incurring such costs and expenses.

SECTION 8.7. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without regard to the conflicts of laws provisions thereof.

SECTION 8.5. HEADINGS. Article and Section headings used in this Agreement are for convenience only and shall not affect the meaning or construction of this Agreement.

SECTION 8.6. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof.

SECTION 8.7. AMENDMENT. Any term of this Agreement may be modified or amended only by an instrument in writing signed by each of the parties hereto.

SECTION 8.8. SEVERABILITY. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforced in accordance with its terms.

SECTION 8.9. NOTICES. All communications, notices, requests, consents or demands given or required under this Agreement shall be in writing and shall be deemed to have been duly given when delivered to, or received by prepaid registered or certified mail or recognized overnight courier addressed to, or upon receipt of a facsimile sent to, the party for whom intended, as follows, or to such other address or facsimile number as may be furnished by such party by notice in the manner provided herein:

#### CryoPort Systems, Inc.

451 Atlas Street Brea, California 92821 Phone 714-256-6104 Fax 714-256-6110 Peter Berry, President and Chief Executive Officer

AND,

G T 5-Limited 36181 East Lake Rd., 1112 Suite 170 Palm Harbor, FL34685 Fax 727-937-1074 Phone 727-937-4374 or 727-204-4627 Dante M. Panella, President

SECTION 9. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Signatures on this Agreement may be communicated by facsimile transmission and shall be binding upon the parties hereto so transmitting their signatures. Counterparts with original signatures shall be provided to the other parties hereto following the applicable facsimile transmission; provided that the failure to provide the original counterpart shall have no effect on the validity or the binding nature of this Agreement.

Remainder of page intentionally left blank Signature page follows

413980.3

## Signature page to Stock Exchange Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Stock Exchange Agreement to be duly executed and delivered as of the date set forth above.	
CryoPort Systems, Inc.	G T 5-Limited
By:_/s/ Patrick L. Mullens Patrick Mullens, M.D., President	By:/s/ Dante M. Panella Dante M. Panella, President

413980.3

Aug 30 2005 8:44AM Fax Station : CryoPort Inc.

FROM : DAVID

FAX NO. :7146928279

Aug. 30 2005 09:17AM P1

# SIMPLE INTEREST COMMERCIAL PROMISSORY NOTE

## PRINCIPAL AMOUNT \$287,000.00

NO. 3

FOR VALUE RECEIVED the Undersigned jointly and severely promises to pay to the order of DAVID PETRECCIA, M.D. (Payee) the sum of:

TWO HUNDRED EIGHTY-SEVEN THOUSAND

Dollars

(\$237,000.00)

together with interest on the unpaid balance cutstanding from time to time at the rate set out below. Interest will accrue on the outstanding unpaid principal balance for each day that any amount is outstanding and will continue to accrue until this note is paid in full.

The interest rate on this note will be fixed at <u>six percent</u> [6%) per annum. Simple interest shall be calculated on this note on the basis of 365/365.

Undersigned shall pay this note as follows:

The term of this note shall be ten (10) years starting March 1, 2005. Interest shall accrue on outstanding Principle balance during the term of this note from the date funds were received.

Monthly Principal payments shall be as follows:

- (a) \$500.00 per month commencing April 1, 2006;
- (b) Every six (6) months after commencing Principal payments, monthly Principal payments shall increase by an amount of \$500.00 (i.e. \$1,000.00 per month beginning November 1, 2006; \$1,500.00 per month beginning April 1, 2007, etc.), up to a maximum of \$2,000.00 per month, unless accelerated as set forth in (c) below; and
- (c) Monthly Principal payments shall be accelerated upon Undersigned's achievement of three (3) months consecutive positive cash flow as follows:

D.P.

FAX NO. :7146928279

Aug. 29 2005 09:20AM P2

- (i) five percent (5%) payment on Principal due with in forty-five (45) days subsequent to Undersigned's achievement of three (3) months positive cash flow; and
- (ii) upon Undersigned's achievement of three (3) months positive cash flow, monthly payments shall increase to \$5,000.00 per month thereafter. The Undersigned shall pay Payee at such place as Payee shall designate in writing.

The final payment of any residual balance, including remaining Principal and accrued Interest (balloon payment), will become due and payable on February 1, 2015.

- 1. The following shall be deemed to be events of default hereunder:
- (a) Failure of the Undersigned to pay any installment principal or interest on this Note on any due date provided such nonpayment continues for a period of one hundred twenty (120)
- (b) The filing of any petition by the Undersigned or against the Undersigned under the Federal Bankruptcy Act as now or hereafter in force for any relief based upon an allegation of Undersigned's insolvency, or adjudication of the Undersigned as a bankrupt under said act;
- (c) The filing of a petition against the Undersigned for reorganization of the Undersigned under the Federal Bankruptcy Act as now or hereafter in force, and the approval of such petition by any United States District Court or Judge thereof;
- (d) The execution and delivery by the Undersigned of a general assignment for the benefit of creditors;
- (e) The appointment of a Receiver of the Undersigned by a Court of competent jurisdiction, which appointment of a Receiver shall not have been vacated within a period of (30) days after the date of the appointment of such Receiver.
- (f) If this Note is secured by a Security Agreement or Deed of Trust, upon the breach of any covenant contained in such Security Agreement or Deed of Trust; and

2

FAX NO. :7146928279

Aug. 30 2005 09:18AM P4

- (g) Failure of the Undersigned on February 1, 2015, to pay any then unpaid balance of this Note.
- 2. The unpaid balance of this note shall become immediately due and payable at the election of Payee upon the occurrence of any of the events of default above designated as "(a) to (f)". In case of such acceleration, the Payee may charge interest at the legal rate from the date such acceleration takes place upon the unpaid balance of principal and interest on the note.
- 3. The Undersigned shall have the right at any time to prepay the entire unpaid amount of this Note and from time to time make partial prepayments thereof in any amount without penalty or premium provided such prepayment is made on an installment due date.
- 4. While this Note remains unpaid the Undersigned shall not assign any interest (beneficial or otherwise) in this Note to any third parties without the written consent of the Payee.
- 5. This note is subject to Section 2966 of the Civil code which provides that the holder of this note shall give written notice to the Payee, or his successor in interest, of the prescribed information at least 90 and not more than 150 days before balloon payment is due.
- 6. Payee may retain someone else to help collect this Note if the Undersigned is in default. The Undersigned shall pay the Payee that amount. This includes Payee's attorney's fees and costs whether or not there is a lawsuit, including any fees on appeal. Payee may delay enforcing any of his rights without waiving them. The Undersigned agrees to submit to the jurisdiction of the court in the county in which Payee is located.
- 7. The Undersigned waives notice of any extension hereof and shall be bound to pay this Note. No party shall be released or discharged from liability by reason of any extension of time to pay installment or installments or by reason of the Payee's waiver of any term or condition of this Note. All parties hereto waive presentation for payment, demand for payment, protest and notice of protest, non-payment, dishonor and the Payee's election to accelerate the maturity of the unpaid balance of

FROM : DAVID

FAX NO. :7146928279

Aug. 30 2005 09:18AM P3

this Note.

- 8. Wherever "Payee" is referred to herein, it shall be deemed to refer to the Payer herein named or any other assignee or subsequent holder of this Note.
- 9. Each of the Undersigned hereby agrees that the term "Undersigned" as used herein means any one or more of them.
- 10. Undersigned authorizes the Payee to surrender this Promissory Note to the person making the final payment.
- 11. This Note shall be governed by the Laws of the State of California.

CRYOPORT SYSTEMS, INC.

Dail Colling 8/26/05

## SIMPLE INTEREST COMMERCIAL PROMISSORY NOTE

PRINCIPAL AMOUNT \$256,000.00

NO. 4

FOR VALUE RECEIVED the Undersigned jointly and severely promises to pay to the order of JEFF DELL, M.D. (Payee) the sum of:

TWO HUNDRED FIFTY-SIX THOUSAND Dollars (\$256,000.00)

together with interest on the unpaid balance outstanding from time to time at the rate set out below. Interest will accrue on the outstanding unpaid principal balance for each day that any amount is outstanding and will continue to accrue until this note is paid in full.

The interest rate on this note will be fixed at six percent (6%) per annum. Simple interest shall be calculated on this note on the basis of 365/365.

Undersigned shall pay this note as follows:

The term of this note shall be ten (10) years starting March 1, 2005. Interest shall accrue on outstanding Principle balance during the term of this note from the date funds were received.

Monthly Principal payments shall be as follows:

- (a) \$500.00 per month commencing April 1, 2006;
- (b) Every six (6) months after commencing Principal payments, monthly Principal payments shall increase by an amount of \$500.00 (i.e. \$1,000.00 per month beginning November 1, 2006; \$1,500.00 per month beginning April 1, 2007, etc.), up to a maximum of \$2,000.00 per month, unless accelerated as set forth in (c) below; and
- (c) Monthly Principal payments shall be accelerated upon Undersigned's achievement of three (3) months positive cash flow as follows:

- (i) five percent (5%) payment on Principal due with in forty-five (45) days subsequent to Undersigned's achievement of three (3) months positive cash flow; and
- (ii) upon Undersigned's achievement of three (3) months positive cash flow, monthly payments shall increase to \$5,000.00 per month thereafter. The Undersigned shall pay Payee at such place as Payee shall designate in writing.

The final payment of any residual balance, including remaining Principal and accrued Interest (balloon payment), will become due and payable on February 1, 2015.

- 1. The following shall be deemed to be events of default hereunder:
- (a) Failure of the Undersigned to pay any installment principal or interest on this Note on any due date provided such nonpayment continues for a period of one hundred twenty (120) days;
- (b) The filing of any petition by the Undersigned or against the Undersigned under the Federal Bankruptcy Act as now or hereafter in force for any relief based upon an allegation of Undersigned's insolvency, or adjudication of the Undersigned as a bankrupt under said act;
- (c) The filing of a petition against the Undersigned for reorganization of the Undersigned under the Federal Bankruptcy Act as now or hereafter in force, and the approval of such petition by any United States District Court or Judge thereof;
- (d) The execution and delivery by the Undersigned of a general assignment for the benefit of creditors;
- (e) The appointment of a Receiver of the Undersigned by a Court of competent jurisdiction, which appointment of a Receiver shall not have been vacated within a period of (30) days after the date of the appointment of such Receiver.
- (f) If this Note is secured by a Security Agreement or Deed of Trust, upon the breach of any covenant contained in Sch Security Agreement or Deed of Trust; and

- (q) Failure of the Undersigned on February 1, 2015, to pay any then unpaid balance of this Note.
- 2. The unpaid balance of this note shall become immediately due and payable at the election of Payee upon the occurrence of any of the events of default above designated as "(a) to (f)". In case of such acceleration, the Payee may charge interest at the legal rate from the date such acceleration takes place upon the unpaid balance of principal and interest on the note.
- 3. The Undersigned shall have the right at any time to prepay the entire unpaid amount of this Note and from time to time make partial prepayments thereof in any amount without penalty or premium provided such prepayment is made on an installment due date.
- 4. While this Note remains unpaid the Undersigned shall not assign any interest (beneficial or otherwise) in this Note to any third parties without the written consent of the Payee.
- 5. This note is subject to Section 2966 of the Civil code which provides that the holder of this note shall give written notice to the Payee, or his successor in interest, of the prescribed information at least 90 and not more than 150 days before balloon payment is due.
- 6. Payee may retain someone else to help collect this Note if the Undersigned is in default. The Undersigned shall pay the Payee that amount. This includes Payee's attorney's fees and costs whether or not there is a lawsuit, including any fees on appeal. Payee may delay enforcing any of his rights without waiving them. The Undersigned agrees to submit to the jurisdiction of the court in the county in which Payee is located.
- 7. The Undersigned waives notice of any extension hereof and shall be bound to pay this Note. No party shall be released or discharged from liability by reason of any extension of time to pay installment or installments or by reason of the Payee's waiver of any term or condition of this Note. All parties hereto waive presentation for payment, demand for payment, protest and notice of protest, non-payment, dishonor and the Payee's election to accelerate the maturity of the unpaid balance of this Note.

- 8. Wherever "Payee" is referred to herein, it shall be deemed to refer to the Payee herein named or any other assignee or subsequent holder of this Note.
- 9. Each of the Undersigned hereby agrees that the term "Undersigned" as used herein means any one or more of them.
- 10. Undersigned authorizes the Payee to surrender this Promissory Note to the person making the final payment.
- 11. This Note shall be governed by the Laws of the State of California.

CRYOPORT SYSTEMS, INC.

PETER BERRY, CEO

W.

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08/25/2005 13:14 714-2560541

MARC GROSSMAN MD

PAGE 02

## SIMPLE INTEREST COMMERCIAL PROMISSORY NOTE

PRINCIPAL AMOUNT \$330,000.00

NO. 5

FOR VALUE RECEIVED the Undersigned jointly and severely promises to pay to the order of MARC GROSSMAN, M.D. (Payee) the sum of:

THREE HUNDRED THIRTY THOUSAND Dollars (\$330,000.00)

together with interest on the unpaid balance outstanding from time to time at the rate set out below. Interest will accrue on the outstanding unpaid principal balance for each day that any amount is outstanding and will continue to accrue until this note is paid in full.

The interest rate on this note will be fixed at <u>six percent</u> (6%) per annum. Simple interest shall be calculated on this note on the basis of 365/365.

Undersigned shall pay this note as follows:

The term of this note shall be ten (10) years starting March 1, 2005. Interest shall accrue on outstanding Principle balance during the term of this note from the date funds were received.

Monthly Principal payments shall be as follows:

- (a) \$500.00 per month commencing April 1, 2006;
- (b) Every six (6) months after commencing Principal payments, monthly Principal payments shall increase by an amount of \$500.00 (i.e. \$1,000.00 per month beginning November 1, 2006; \$1,500.00 per month beginning April 1, 2007, etc.), up to a maximum of \$2,000.00 per month, unless accelerated as set forth in (c) below; and
- (c) Monthly Principal payments shall be accelerated upon Undersigned's achievement of three (3) months consecutive positive cash flow as follows:

No

- (i) five percent (5%) payment on Principal due with in forty-five (45) days subsequent to Undersigned's achievement of three (3) months positive cash flow; and
- (ii) upon Undersigned's achievement of three (3) months positive cash flow, monthly payments shall increase to \$5,000.00 per month thereafter. The Undersigned shall pay Payee at such place as Payee shall designate in writing.

The final payment of any residual balance, including remaining Principal and accrued Interest (balloon payment), will become due and payable on February 1, 2015.

- The following shall be deemed to be events of default hereunder:
- (a) Failure of the Undersigned to pay any installment principal or interest on this Note on any due date provided such nonpayment continues for a period of one hundred twenty (120) days;
- (b) The filing of any petition by the Undersigned or against the Undersigned under the Federal Bankruptcy Act as now or hereafter in force for any relief based upon an allegation of Undersigned's insolvency, or adjudication of the Undersigned as a bankrupt under said act;
- (c) The filing of a petition against the Undersigned for reorganization of the Undersigned under the Federal Bankruptcy Act as now or hereafter in force, and the approval of such petition by any United States District Court or Judge thereof;
- (d) The execution and delivery by the Undersigned of a general assignment for the benefit of creditors;
- (e) The appointment of a Receiver of the Undersigned by a Court of competent jurisdiction, which appointment of a Receiver shall not have been vacated within a period of (30) days after the date of the appointment of such Receiver.
- (f) If this Note is secured by a Security Agreement or Deed of Trust, upon the breach of any covenant contained in such Security Agreement or Deed of Trust; and



Received Fax :

- (g) Failure of the Undersigned on February 1, 2015, to pay any then unpaid balance of this Note.
- 2. The unpaid balance of this note shall become immediately due and payable at the election of Payee upon the occurrence of any of the events of default above designated as "(a) to (f)". In case of such acceleration, the Payee may charge interest at the legal rate from the date such acceleration takes place upon the unpaid balance of principal and interest on the note.
- 3. The Undersigned shall have the right at any time to prepay the entire unpaid amount of this Note and from time to time make partial prepayments thereof in any amount without penalty or premium provided such prepayment is made on an installment due date.
- 4. While this Note remains unpaid the Undersigned shall not assign any interest (beneficial or otherwise) in this Note to any third parties without the written consent of the Payee.
- 5. This note is subject to Section 2966 of the Civil code which provides that the holder of this note shall give written notice to the Payee, or his successor in interest, of the prescribed information at least 90 and not more than 150 days before balloon payment is due.
- 6. Payee may retain someone else to help collect this Note if the Undersigned is in default. The Undersigned shall pay the Payee that amount. This includes Payee's attorney's fees and costs whether or not there is a lawsuit, including any fees on Payee may delay enforcing any of his rights without waiving them. The Undersigned agrees to submit jurisdiction of the court in the county in which Payee is located.
- 7. The Undersigned waives notice of any extension hereof and shall be bound to pay this Note. No party shall be released or discharged from liability by reason of any extension of time to pay installment or installments or by reason of the Payee's waiver of any term or condition of this Note. All parties hereto waive presentation for payment, demand for payment, protest and notice of protest, non-payment, dishonor and the Payee's election to accelerate the maturity of the unpaid balance of this Note.



08/25/2005 13:14 714-2560541

MARC GROSSMAN MD

PAGE 05

- 8. Wherever "Payee" is referred to herein, it shall be deemed to refer to the Payee herein named or any other assignee or subsequent holder of this Note.
- 9. Each of the Undersigned hereby agrees that the term "Undersigned" as used herein means any one or more of them.
- 10. Undersigned authorizes the Payee to surrender this Promissory Note to the person making the final payment.
- 11. This Note shall be governed by the Laws of the State of California.

CRYOPORT SYSTEMS, INC.

PETER BERRY, CEO

### SIMPLE INTEREST COMMERCIAL PROMISSORY NOTE

#### PRINCIPAL AMOUNT \$386,500.00

NO. 2

FOR VALUE RECEIVED the Undersigned jointly and severely promises to pay to the order of PATRICK MULLENS, M.D. (Payee) the sum of:

# THREE HUNDRED EIGHTY-SIX THOUSAND AND FIVE HUNDRED

together with interest on the unpaid balance outstanding from time to time at the rate set out below. Interest will accrue on the outstanding unpaid principal balance for each day that any amount is outstanding and will continue to accrue until this note is paid in full.

The interest rate on this note will be fixed at  $\underline{\rm six}$  percent (6%) per annum. Simple interest shall be calculated on this note on the basis of 365/365.

Undersigned shall pay this note as follows:

The term of this note shall be ten (10) years starting March 1, 2005. Interest shall accrue on outstanding Principle balance during the term of this note from the date funds were received.

Monthly Principal payments shall be as follows:

- (a) \$500.00 per month commencing April 1, 2006;
- (b) Every six (6) months after commencing Principal payments, monthly Principal payments shall increase by an amount of \$500.00 (i.e. \$1,000.00 per month beginning November 1, 2006; \$1,500.00 per month beginning April 1, 2007, etc.), up to a maximum of \$2,000.00 per month, unless accelerated as set forth in (a) below; and in (c) below; and
- (c) Monthly Principal payments shall be accelerated upon Undersigned's achievement of three (3) months consecutive positive cash flow as follows:

- (i) five percent (5%) payment on Principal due with in forty-five (45) days subsequent to Undersigned's achievement of three (3) months positive cash flow; and
- (ii) upon Undersigned's achievement of three (3) months positive cash flow, monthly payments shall increase to \$5,000.00 per month thereafter. The Undersigned shall pay Payee at such place as Payee shall designate in writing.
- The final payment of any residual balance, including remaining Principal and accrued Interest (balloon payment), will become due and payable on February 1, 2015.
- 1. The following shall be deemed to be events of default hereunder:
- (a) Failure of the Undersigned to pay any installment principal or interest on this Note on any due date provided such nonpayment continues for a period of one hundred twenty (120) days;
- (b) The filing of any petition by the Undersigned or against the Undersigned under the Federal Bankruptcy Act as now or hereafter in force for any relief based upon an allegation of Undersigned's insolvency, or adjudication of the Undersigned as a bankrupt under said act;
- (c) The filing of a petition against the Undersigned for reorganization of the Undersigned under the Federal Bankruptcy Act as now or hereafter in force, and the approval of such petition by any United States District Court or Judge thereof;
- (d) The execution and delivery by the Undersigned of a general assignment for the benefit of creditors;
- (e) The appointment of a Receiver of the Undersigned by a Court of competent jurisdiction, which appointment of a Receiver shall not have been vacated within a period of (30) days after the date of the appointment of such Receiver.
- (f) If this Note is secured by a Security Agreement or Deed of Trust, upon the breach of any covenant contained in such Security Agreement or Deed of Trust; and

- $\mbox{\scriptsize (g)}$  Failure of the Undersigned on February 1, 2015, to pay any then unpaid balance of this Note.
- 2. The unpaid balance of this note shall become immediately due and payable at the election of Payee upon the occurrence of any of the events of default above designated as "(a) to (f)". In case of such acceleration, the Payee may charge interest at the legal rate from the date such acceleration takes place upon the unpaid balance of principal and interest on the note.
- 3. The Undersigned shall have the right at any time to prepay the entire unpaid amount of this Note and from time to time make partial prepayments thereof in any amount without penalty or premium provided such prepayment is made on an installment due date.
- 4. While this Note remains unpaid the Undersigned shall not assign any interest (beneficial or otherwise) in this Note to any third parties without the written consent of the Payee.
- 5. This note is subject to Section 2966 of the Civil code which provides that the holder of this note shall give written notice to the Payee, or his successor in interest, of the prescribed information at least 90 and not more than 150 days before balloon payment is due.
- 6. Payee may retain someone else to help collect this Note if the Undersigned is in default. The Undersigned shall pay the Payee that amount. This includes Payee's attorney's fees and costs whether or not there is a lawsuit, including any fees on appeal. Payee may delay enforcing any of his rights without waiving them. The Undersigned agrees to submit to the jurisdiction of the court in the county in which Payee is located.
- 7. The Undersigned waives notice of any extension hereof and shall be bound to pay this Note. No party shall be released or discharged from liability by reason of any extension of time to pay installment or installments or by reason of the Payes's waiver of any term or condition of this Note. All parties hereto waive presentation for payment, demand for payment, protest and notice of protest, non-payment, dishonor and the Payes's election to accelerate the maturity of the unpaid balance of

89/86/2885 87:82 661--721-5654 Aug 25 2005 4:15PM Urgorors inc.

DRMC PATHOLOGY

this Note.

Receffed Fax :

- Wherever "Payee" is referred to herein, it shall be desimed to refer to the Payee herein named or any other assignee or subsequent holder of this Note.
- Each of the Undersigned hereby agrees that the term "Undereigned" as used herein means any one or more of them.
- 10. Undersigned authorizes the Payee to surrender this Promissory Note to the person making the final payment.
- 11. This Note shall be governed by the Laws of the State of California.

CRYOPORT SYSTEMS, INC.

Borney Patri IMM Weller 9/2/05